TriTech

TRITECH GROUP LIMITED

BUILDING VALUE THROUGH INNOVATION AND TECHNOLOGY

ANNUAL REPORT 2020

BUSINESS **SEGMENTS**

URBAN & ENVIRONMENTAL INFRASTRUCTURE BUSINESS

SPECIALIST ENGINEERING DIVISION

- Provision of geotechnical instrumentation and monitoring services, geotechnical and geological site explorations, investigations, analysis and testing for general and infrastructure construction
- Provision of design, consultancy and project management services for infrastructure, environmental, geotechnical, civil and rock engineering works
- Provision of products and related services that deploy Machine-to-Machine ("M2M") technology
- Supply and installation of Tritech's own brand of geotechnical instruments
- Provision of Automatic Tunnel Monitoring Survey ("ATMS") and other land surveying work

WATER & ENVIRONMENTAL PROTECTION BUSINESS

- Manufacturing of membranes for water treatment and desalination systems, portable small-to-medium scale desalinators
- Production and sale of bottled drinking water and dispensers; and marketing of related technologies, systems and services
- Supply of water quality monitoring products and services

CORPORATE **PROFILE**

Established in 1999, Tritech Group Limited ("Tritech" and together with its subsidiaries, the "Group") has grown into a leading water & environmental group with two key business segments – "Urban & Environmental Infrastructure" under TGL Engineering Group, and "Water & Environmental Protection" under Tritech Environmental Group. Since inception, Tritech has built an excellent reputation as a specialist engineering group with capabilities to provide full range of engineering services from project planning, site investigations, design & consultancy, instrumentation & monitoring, construction, supervision & management. The Group serves a broad range of industries, such as infrastructure, oil & gas, commercial and high-end residential property developments. Led by an experienced management team of highly qualified professionals that includes seven PhD holders, the Group is one of few engineering groups in Singapore with the technical expertise and capabilities to provide services that span across the entire value chain.

Over the years, the Group has established a strong foothold in projects for government statutory boards such as the Jurong Town Corporation, Land Transport Authority, Housing and Development Board and Public Utilities Board. It has a proven track record in a multitude of high profile public and private sector projects in Singapore, including the MRT Circle, Downtown and Thomson-East Coast Lines, Jurong Rock Cavern, Underground Drainage & Reservoir System, Reflections @ Keppel Bay, Interlace and Marina One.

As part of the Group's strategy to strengthen its growth prospects, Tritech has expanded into the Water & Environmental Protection business. For its Water & Environmental Protection business, the Group has built a unique platform to provide total solutions for water and environmental problems in the People's Republic of China ("PRC") and region.

Tritech was listed on SGX Catalist in Singapore on 21 August 2008.

TABLE OF **CONTENTS**

BUSINESS MODEL

URBAN & ENVIRONMENTAL INFRASTRUCTURE BUSINESS

GEOTECHNICAL SERVICES

- Geotechnical instrumentation, installation and maintenance
- Monitoring services
- Geotechnical investigation, exploration, analysis and testing for construction

DESIGN, CONSULTANCY AND PROJECT MANAGEMENT SERVICES

- Services range from initial feasibility study to planning, site investigation, design and construction control services

PROVISION OF MACHINE-TO-MACHINE (M2M) PRODUCTS AND SERVICES

- Provision of products and related services

PROVISION OF GEOTECHNICAL INSTRUMENTS

- Supply and installation of Tritech's own brand of geotechnical products

ENGINEERING SURVEY

- Provision of Automatic Tunnel Monitoring Survey (ATMS) and other land surveying work

WATER & ENVIRONMENTAL PROTECTION BUSINESS

WATER TREATMENT TECHNOLOGIES

- Convert seawater or raw municipal water into potable water
- Bottled drinking water and water dispensers
- Membrane manufacturing and supply for waste water, seawater desalination, and potable water plants for existing industries and residents
- Provision of real-time water quality monitoring services (Tritech is providing this service to the statutory board of Singapore)
- Supply of mobile water purification units to any remote villages or coastal settlements
- Turnkey contractor for desalination plants

GROUP **STRUCTURE**

TriTech 三泰集团

TRITECH GROUP LIMITED (AS AT 31 MARCH 2020)

- 100% **TGL ENGINEERING GROUP PTE. LTD.** 三泰工程集团有限公司
  - 100% Tritech Engineering & Testing (Singapore) Pte. Ltd. 三泰工程及测试(新加坡)有限公司
  - 100% Tritech Consultants Pte. Ltd. 三泰工程咨询有限公司
  - 100% Terra Tritech Engineering (M) Sdn. Bhd. 三泰工程(马来西亚)有限公司
- 60% **GEOSOFT PTE. LTD.** 吉奥软件有限公司
- 100% **TRITECH WATER TECHNOLOGIES PTE. LTD.** 三泰水科技有限公司
- 100% **TRITECH SYSENG (S) PTE. LTD.** 三泰赛森有限公司
- 40% **TRITECH ENVIRONMENTAL GROUP CO., LTD.** 三泰环境集团有限公司
  - 100% Tritech (Qingdao) Membrane Technologies Co. Ltd. 三泰(青岛)膜科技有限公司
  - 100% Anhui Clean Environment Biotechnology Co. Ltd. 安徽科林环境生物技术有限公司
  - 100% Tritech Vavie (Qingdao) Health Care Technologies Co. Ltd. 三泰万维思源(青岛)健康科技有限公司
  - 100% Beijing Wisetec Technologies Co. Ltd. 北京伟思德克科技有限公司

URBAN & ENVIRONMENTAL INFRASTRUCTURE
(城市与环境基础设施业务)

WATER & ENVIRONMENTAL PROTECTION
(水与环境的保护业务)

MESSAGE TO SHAREHOLDERS

The Group continued to execute strategic initiatives to integrate and transform its engineering and water-related and environmental businesses during the year under review.

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, we are pleased to present the annual report of Tritech Group Limited ("Tritech" or the "Company", and together with its subsidiaries, the "Group") for the financial year ended 31 March 2020 ("FY2020").

During the year under review, the Group continued to execute strategic initiatives to integrate and transform its engineering and water-related and environmental businesses. In May 2019, the Group completed the disposal of its subsidiary, Presscrete Engineering Pte Ltd ("Presscrete") which was engaged primarily in structural and ground engineering services for infrastructure developments. This move has enabled our engineering business to mitigate the intense competition in Singapore's infrastructural construction business as the Group has reduced its reliance on labour-intensive construction work while intensifying its focus on high technology-oriented projects.

Following Presscrete's disposal, the Group marked a major achievement in July 2019 when it successfully forged a partnership with a Chinese state-owned enterprise ("SOE") which would serve as a springboard to accelerate the development and improve the prospects of our water-related and environmental business in China.

The Group operates its water-related and environmental business in China through Tritech Environmental Group Co., Ltd. ("Tritech Environmental") and its four direct wholly-owned China subsidiaries, namely Tritech (Qingdao) Membrane Technologies Co. Ltd, Anhui Clean Environmental Biotechnology Co Ltd, Tritech Vavie (Qingdao) Health Care Technologies Co Ltd and Beijing Wisetec Technologies Co Ltd.

On 26 July 2019, the Group announced the sale of 60% of the issued share capital of Tritech Environmental and its four subsidiaries to Qingdao Ocean Group Finance Holdings Co Ltd (青岛海控集团金融控股有限公司) ("Qingdao Ocean Group") and Rongtai Construction Group Co Ltd (荣泰建设集团有限公司) ("Rongtai Construction"). Following the completion of this transaction on 5 August 2019, Tritech Environmental and its subsidiaries have ceased to be subsidiaries and are considered as associates of the Company. Tritech Environmental is now 40%-owned by Qingdao Ocean Group while a 20% equity interest is held by Rongtai Construction.

FY2020 FINANCIAL PERFORMANCE

With the disposal of Presscrete and the sale of 60% of the issued share capital of Tritech Environmental ("Discontinued Operations"), the Group's continuing operations now focus on the engineering business and its water-related business in Singapore ("Continuing Operations").

In FY2020, the Continuing Operations recorded revenue of $10.6 million, a decrease of $17.5 million from $28.1 million in FY2019, due mainly to a significant downward revision in the scope of work and contract sums for certain projects of the engineering business.

The Group recorded a gross loss of $9.8 million in FY2020 as compared to a gross profit of $4.6 million in FY2019. This was mainly due to a provision for increases in budgeted costs of ongoing projects to take into consideration the impact of the COVID-19 pandemic, resulting in lower production levels after the circuit breaker period, and the cost of implementing safe distancing measures which had an impact on the engineering business.

Together with higher operating expenses, the Group posted a net loss from Continuing Operations of $21.7 million in FY2020 compared to a net loss from Continuing Operations of $5.4 million in FY2019.

Presscrete and Tritech Environment, prior to their disposal, have contributed to a combine loss of $0.9 million (loss from Discontinued Operations). In FY2020, the Group has disposed 100% of Presscrete and 60% disposal of Tritech Environmental, which result in a gain of $10.9 million for the two sales transaction.

As a result, the Group recorded an overall net loss of $11.8 million in FY2020 from Continuing Operations and Discontinued Operations, as compared to a net loss of $27.3 million in FY2019.

SHARPER TECHNOLOGY FOCUS FOR THE ENGINEERING BUSINESS

Following the disposal of Presscrete, the Group's strategy for its engineering business has been to focus on specialised engineering projects that involve greater technology content. As Tritech has already developed various in-house construction-related technologies, the Group is a leading player in this market segment with its technologies deployed in various projects across Singapore. This includes technologies such as our automatic remote real time monitoring for construction of MRT and underground projects; horizontal directional coring technology for site investigations; and underground space design and development for data centres and oil storage caverns.

As such projects typically face relatively less competition and can offer better profit margins, the Group will continue to leverage on the competitive advantage that we have established in this segment of the engineering business. During FY2020, the Group continued to secure several new contracts for public sector projects in Singapore.

On 16 January 2020, the Group's wholly-owned subsidiary, Tritech Engineering & Testing (Singapore) Pte. Ltd. ("Tritech Engineering") was awarded a $6.758 million contract for "Installation of Dam Monitoring Instruments for Reservoirs in Singapore" by Public Utilities Board ("PUB"). This contract commenced on 23 January 2020 and is estimated to be completed by 22 January 2028.

Tritech Engineering was also awarded a $5.424 million contract by the Land Transport Authority ("LTA") on 27 February 2020 for "Site Investigation Works for LTA Projects". The completion date of this contract is estimated to be on 26 November 2023. On 10 June 2020, the LTA also awarded a $23.0 million contract titled "Contract J1011B Qualified Person (Supervision) ("QPS") Services for Jurong Region Line (Phase 1) (Package B – Contracts J103, J105 & J106)" to the Group's wholly-owned subsidiary, Tritech Consultants Pte Ltd ("Tritech Consultants"). The contract commenced on 13 July 2020 and the QPS services for Contracts J103, J105 and J106 are expected to be completed on 30 March 2026.

As a result of complying with the directives from the Singapore government to contain the spread of COVID-19, the Group has experienced significant disruptions to its business and operations, including closure of its office and stoppage of work at its various project sites.

The Group expects the operating environment for its engineering business to remain difficult as the COVID-19 pandemic will have a negative impact on Singapore's economy and the infrastructural construction sector. While the Group expects such business disruptions to adversely affect the Group's financial performance in the current financial year ending 31 March 2021, it is not able to accurately assess the actual extent of the financial impact at this juncture.

MESSAGE TO SHAREHOLDERS

Our management's efforts have enabled the Group to successfully integrate and transform itself into a Unique Urban Infrastructure, Water & Environmental One-Stop Solution Provider in Singapore.

Nonetheless, the Group plans to continue focusing on contracts that require higher technology and marketing our in-house technologies, including our automation technology which reduces manpower and manual operations and hence helps to mitigate the impact of COVID-19.

WATER-RELATED AND ENVIRONMENTAL BUSINESS TO BENEFIT FROM STRATEGIC PARTNERSHIP

The Group believes the strategic partnership it has formed with Qingdao Ocean Group and Rongtai Construction will greatly assist in the future development of Tritech Environmental. By leveraging on their respective competitive strengths, Tritech Environmental has the potential to become a leading water treatment player in China within the next three to five years.

Qingdao Ocean Group is a state-owned holding company owned by Qingdao West Coast New District Ocean Holding Group Co Ltd (青岛西海岸新区海洋控股集团有限公司) ("Qingdao West Coast Group"), which is ultimately wholly-owned by West Coast Development Management Committee of Huangdao District of Qingdao Municipal Government. Qingdao West Coast Group's mission is to implement the district governmental ocean development strategy, manage state-owned capital, stimulate the vitality of state-owned assets, as well as financing and building the emerging marine industries and regional tourism.

Being part of a SOE, Tritech Environmental will now be eligible to tender for certain government projects that are reserved for SOEs. These projects are usually strategic and large-scale with reasonable profit margins. In addition, Tritech Environmental will also gain better access to financing options from lenders and other sources, as well as receive financial support from Qingdao Ocean Group.

Rongtai Construction is one of the largest engineering and construction companies in Qingdao. It has built an established reputation with many accolades from China's government agencies. Rongtai Construction possesses numerous top-grade licenses in China that allows it to tender and execute large scale governmental and private engineering and construction projects. It is able to provide assistance in market development which will enable Tritech Environmental to secure more working capital and develop its business.

As the Group is still a 40% shareholder of Tritech Environmental, we believe the development of Tritech Environmental is expected to bring significant economic value to the Group and our shareholders.

Besides the potential benefits from the future development of Tritech Environmental, the Group will also focus on its water-related business in Singapore and the regional markets by continuing to supply membrane-related products and provide water-quality monitoring services, which are less capital intensive businesses. This is being operated via its two water-related companies in Singapore, namely Tritech Water Technologies Pte Ltd and Tritech SysEng (S) Pte Ltd, which are now direct wholly-owned subsidiaries of the Company.

INTEGRATION AND TRANSFORMATION OF THE GROUP'S BUSINESS

Following the disposal of Presscrete and introduction of the SOE partner into our China business, our management's efforts to enhance Tritech's existing proprietary design, consultancy, products and in-house techniques have enabled the Group to successfully integrate and transform itself into a Unique Urban Infrastructure, Water & Environmental One-Stop Solution Provider in Singapore.

To strengthen our business and enhance profit margins, the Group has developed an AI-based big data analysis software ("ADAS") which is a leading 4-D analysis software package. The goal of this software is to digitalise our integrated group business, minimise manpower requirements and improve the profit margins of our business. It also provides the capability for Tritech to extend our services beyond Singapore without facing financing constraints and higher risks. The development of ADAS leverages on big data, artificial intelligence and real-time technologies.

Indeed, this initiative is producing encouraging results as the Group has been steadily winning contracts from Singapore government agencies since 2015. In FY2020, our project order book related to the application of ADAS reached around $16.1 million. With growing complexity of the construction industry, the Group believes there will be increasing requirement for efficient and seamless integration of architectural and engineering design tools. As such, we have identified two key digital technologies that promise the greatest potential for the Group to accelerate toward our long-term digital destination – the explainable artificial intelligence and a cloud ecosystem.

Besides the above developments, the Group has also been making encouraging progress with in-house products related to water technologies. Our newly developed proprietary product, VaVie™ Strong Alkaline Cleaning Water ("SACW") as a sanitiser and disinfection that is produced with purified water and food grade materials by using electrical ionization technology. SACW is an environmentally-friendly, odourless, colourless alcohol-free cleaning solution with high alkalinity product. It has been tested effective by Microchem Laboratory, USA in killing >99.99996% of bacteria and eliminating 99.90% of human coronaviruses. SACW has also been proven to possess strong antibacterial properties and superior cleaning capabilities which sets it apart from other cleaning products available in the market. Besides killing bacteria and human coronavirus, SACW is a versatile cleaning solution for households as it can be used to remove stubborn oil and dirt stains, sterilise surfaces and wash fruit/vegetables. It has been included in the Singapore National Environment Agency's interim List of Household Products Effective Against Coronavirus. With its high degree of cleanliness, bactericidal, deodorising and anti-corrosive properties, SACW can also be used in the food processing industry and for commercial buildings.

Going forward, we intend to continue executing this strategy to make Tritech a leading technology center for Urban Infrastructure, Water & Environmental One-Stop Solution Provider in Singapore and the region.

APPRECIATION

On behalf of the Board, we would like to extend our appreciation to our valued shareholders, customers, suppliers and business partners for their continued trust and support of Tritech. We would also like to thank our fellow Directors for their counsel and contributions, and express our gratitude to the management and staff of Tritech for their dedicated service, hard work and commitment during this difficult and unprecedented period.

PROFESSOR YONG KWET YEW
Non-Executive Chairman

DR JEFFREY WANG
Managing Director

FINANCIAL **REVIEW**

INCOME STATEMENT

Continuing Operations

For the financial year ended 31 March 2020 ("FY2020"), the Group registered revenue of $10.6 million. This was a decrease of $17.5 million from $28.1 million in FY2019, due mainly to a significant downward revision in the scope of work and contract sums for certain projects of the engineering business.

Revenue of the engineering business decreased to $8.1 million in FY2020 from $25.0 million in FY2019. Revenue of the water-related and environmental business decreased to $2.5 million in FY2020 from $3.1 million in FY2019.

The Group recorded a gross loss of $9.8 million in FY2020 as compared to a gross profit of $4.6 million in FY2019. This was mainly due to the provisions for an increase in budgeted costs of ongoing projects after taking into consideration the impact of the COVID-19 pandemic, resulting in lower production levels after the circuit breaker period, and the cost of implementing safe distancing measures which affected the engineering business.

Other income increased to $1.0 million in FY2020 from $0.3 million in FY2019 due mainly to higher foreign exchange gain arising from a shareholder loan that is denominated in foreign currency, as well as increase in interest charged on loan to an associate.

The Group's administrative expenses increased to $4.3 million in FY2020 from $3.6 million in FY2019. This was due mainly to reinstatement of directors' salaries of $0.4 million on 1 September 2019, consultancy fee of $0.3 million.

Other operating expenses increased to $5.7 million in FY2020 from $4.3 million in FY2019 due mainly to recognition of depreciation of right-of-use asset from the adoption of SFRS(I) 16 of $0.6 million and cost of $0.8 million for the employee performance share award. The Group's finance costs decreased to $1.8 million in FY2020 from $2.1 million in FY2019 due mainly to settlement of convertible loan with effect from 30 September 2019.

The Group recognised an impairment loss on financial assets of $0.7 million in FY2020 as compared to $0.1 million in FY2019, due mainly to higher impairment on trade and other receivables in its engineering, water-related and environmental businesses as well as corporate business.

The Group also recorded a loss of $0.3 million from its share of results of associate arising from its 40% interest in Tritech Environmental Group Co., Ltd. ("Tritech Environmental") provided in the review of Discontinued Operations for the 60% disposal of Tritech Environmental in FY2020.

As a result of the above factors, the Group recorded a net loss from continuing operations of $21.7 million in FY2020 as compared to a net loss from continuing operations of $5.4 million in FY2019.

Discontinued Operations (Presscrete Engineering Pte. Ltd. and Tritech Environmental Group Co., Ltd.)

Presscrete Engineering Pte. Ltd. ("Presscrete")

The disposal of Presscrete was completed on 21 May 2019. Accordingly, Presscrete has ceased to be a subsidiary of the Company. In accordance with SFRS(I) 5, the results of Presscrete have been presented separately on the consolidation income statement as Discontinued Operations.

Tritech Environmental Group Co., Ltd. ("Tritech Environmental")

On 26 July 2019, the Company announced the disposal of 60% interest in the issued share capital of Tritech Environmental and its shareholdings in four direct wholly-owned China subsidiaries, namely Tritech (Qingdao) Membrane Technologies Co. Ltd, Anhui Clean Environmental Biotechnology Co Ltd, Tritech Vavie (Qingdao) Health Care Technologies Co Ltd and Beijing Wisetec Technologies Co Ltd (the "Disposal").

The share transfer related to the Disposal occurred on 5 August 2019 and all payments have been fully settled. Accordingly, Tritech Environmental and its subsidiaries have ceased to be subsidiaries of the Company and are now considered to be associates of the Company.

Presscrete and Tritech Environment, prior to their disposal, have contributed to a combine loss of $0.9 million (loss from Discontinued Operations). In FY2020, the Group has disposed 100% of Presscrete and 60% disposal of Tritech Environmental, which result in a gain of $10.9 million for the two sales transaction.

FINANCIAL POSITION

As at 31 March 2020, the Group had non-current assets amounting to $25.0 million, a decrease of $14.7 million from $39.7 million as at 31 March 2019. The decrease was due mainly to a $32.8 million reduction in non-current assets as a result of the Disposal. This was partially offset by an increase in recognition of a right-of-use asset amounting to $1.6 million from the adoption of SFRS(I) 16, recognition of investment in associate amounting to $4.7 million as a result of the Disposal, increase in intangible assets of $1.4 million and $10.4 million receivables arising from the amount due from Tritech Environmental following the disposal of the subsidiary.

The Group had current assets of $16.9 million as at 31 March 2020. This was a decrease of $36.5 million from $53.4 million as at 31 March 2019 (excluding the assets held for sale), due mainly to the Disposal.

Current liabilities stood at $18.0 million as at 31 March 2020, which was a decrease of $59.7 million from $77.7 million as at 31 March 2019 due mainly to the Disposal of Tritech Environmental and liabilities directly associated with Disposal group held for sale. Non-current liabilities amounted to $7.3 million as at 31 March 2020 as compared to $3.3 million as at 31 March 2019. The increase in non-current liabilities was mainly due to increase in loan from Shareholder and lease liabilities and offset by a decrease in deferred tax liabilities.

As at 31 March 2020, the Group had negative working capital of $1.2 million compared to negative working capital of $9.5 million as at 31 March 2019. To address the negative working capital and cash flow requirements, the Group has taken the following steps:

(i) Of the $1.98 million current bank borrowings, $1.52 million has been secured by property and the balance amount of $0.46 million was repaid in July 2020;

(ii) Of the $3.8 million current shareholder's loan, $1.6 million has been repaid in July 2020;

(iii) The Group has on 13 April 2020 and 21 April 2020 secured a Government-Assisted bridging loan of $4 million from UOB that is repayable over 60 months; and

(iv) The Group is obtaining relevant financial assistance from various government initiatives that are being made available to the Group due to the COVID-19 pandemic, to help ease the short-term costs of the Group's operational activities;

Based on the above, the Board is of the reasonable opinion that, after having made due and careful assessment, the Group will be able to meet its short-term debt obligations as and when they fall due and will be able to continue as a going concern.

CASH FLOW STATEMENT

In FY2020, the Group recorded net cash generated from operating activities amounting to $2.6 million. This was due mainly to operating cash outflow before working capital changes of $15.2 million, mainly offset by increases in trade and other receivables which were offset by decrease in contract assets, contract liabilities, and increase in trade and other payables.

Net cash generated from investing activities amounted to $1.7 million in FY2020. This was due mainly to cash inflow from the proceeds from disposal of subsidiaries which was partially offset by cash outflow for purchase of plant and equipment and intangible assets.

Net cash used in financing activities totaled $8.9 million in FY2020. This was due mainly to increase in fixed deposits pledged, repayment of bank borrowings, shareholders loan, lease liability, convertible loan and convertible loan interest, and loan to associate, which was partially offset by cash inflows from bank borrowings, shareholders loan and share placement.

URBAN & ENVIRONMENTAL INFRASTRUCTURE

To strengthen our business, Tritech has developed an AI-based big data analysis software (ADAS) which digitalises our integrated group business, minimises manpower requirements, improves profit margins and provides us with capability to extend our services beyond Singapore.

BOARD OF **DIRECTORS**

PROFESSOR YONG KWET YEW

Non-Executive Chairman and Independent Director

Professor Yong Kwet Yew is our Non-Executive Chairman and Independent Director and was first appointed to the board of directors on 9 June 2008. He was last re-elected to the board directors at the Company's annual general meeting held on 29 July 2019. Professor Yong is a highly regarded geotechnical specialist in Singapore and Southeast Asia. He completed his PhD under a Grouped Scholarship in Engineering from the University of Sheffield, UK. He has delivered 30 keynotes and guest lectures at international conferences and published more than 200 technical papers. He has also served as a consultant in over 100 major construction projects in the region. Professor Yong was the Past Chairman of the Association of Geotechnical Studies in Southeast Asia and he chairs several government advisory committees and professional committees. He has received many national awards including the Public Administration Medal, the Public Service Medal and Public Service Star in the year of 2000, 2004 and 2008 for significant contributions to university administration, construction safety and land transport development respectively. He is an Honorary Fellow of the Institution of Engineers, Singapore, an Accredited Adjudicator, a member of the Singapore Institute of Directors and a registered Professional Engineer in Singapore.

Professor Yong's experience and established business networks as a consultant in major construction projects are useful to our Group's plans to expand our business in the region. He is currently also a non-executive chairman and an independent director of BBR Holdings (S) Ltd, an independent director of Boustead Projects Limited and a former board member of the Land Transport Authority, Singapore.

DR JEFFREY WANG

Managing Director

Dr Jeffrey Wang is our Managing Director and was first appointed to the board of directors on 13 May 2008. He was last re-elected to the board of directors at the Company's annual general meeting held on 26 July 2017. He is in charge of overall operation and business development of our Group. Before the commencement of our Group's business in 2000, he was a senior engineer in an engineering consultancy firm from 1991 to 1996, and a chief engineer in an engineering company listed on the SGX-ST from 1996 to 2000. During his employment in these companies, Dr Wang was in charge of the design and supervision of many infrastructural projects in Singapore. Dr Wang has more than 30 years of experience in geotechnical engineering. He has published many technical papers in geotechnical engineering. Dr Wang is a registered professional engineer in Singapore. He holds a PhD from the Chinese Academy of Sciences (where he was awarded the Minister Award of Chinese Academy of Sciences in recognition of his outstanding performance) and a Doctorate Degree in Philosophy from the National University of Singapore. In September 2007, Dr Wang was awarded the Best Entrepreneur Award for Faculty of Engineering by the National University of Singapore.

MR AW ENG HAI

Independent Director

Mr Aw Eng Hai is our Independent Director and was first appointed to the board of directors on 4 September 2009. He was last re-elected to the board of directors at the Company's annual general meeting held on 30 July 2018. Mr Aw is a public accountant and a partner of Foo Kon Tan LLP where he is in charge of the various departments providing specialist advisory services. He has more than 18 years of experience providing business advisory services to companies. Prior to joining the commercial sector, Mr Aw was an investigator in the Commercial Affairs Department (CAD) where he was involved in complex commercial fraud investigation. Mr Aw is a practising member of the Institute of Singapore Chartered Accountants (ISCA), a Fellow of the Association of Chartered Certified Accountants (ACCA), a Fellow of Insolvency Practitioners Association of Singapore (IPAS) and a member of INSOL International.

DR LOH CHANG KAAN

Non-Independent Non-Executive Director

Dr Loh Chang Kaan is our Non-Independent Non-Executive Director and was first appointed to the board of directors on 23 June 2017. He was last re-elected to the board of directors at the Company's annual general meeting held on 29 July 2019. Previously, Dr Loh was responsible for the overall management and day-to-day operations of Terratech Group Limited (now known as Capital World Limited) and its relevant subsidiaries from the date of his appointment (15 March 2013) to his cessation (4 May 2017). Dr Loh had also served both as an executive director and non-executive director of Tritech Group Limited from 9 June 2008 to 30 July 2014. Prior to joining our Group, Dr Loh was a research engineer with the National University of Singapore from 1994 to 1999. Following that, he was an executive engineer with a specialist ground engineering firm in charge of geotechnical engineering projects. Dr Loh has also conducted seminars and courses on geotechnical instrumentation. He is a registered professional engineer in Singapore. He is also a registered professional engineer in Malaysia, where he is a member of the Institute of Engineers Malaysia. Dr Loh holds a Master of Engineering and Doctor of Philosophy from the National University of Singapore.

WATER & ENVIRONMENTAL PROTECTION

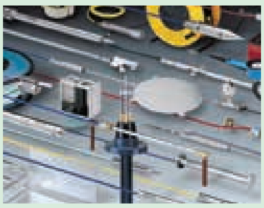
In July 2019, the Group marked a major achievement when we successfully forged a partnership with a China state-owned enterprise which would serve as a springboard to accelerate the development and improve the prospects of our water-related and environmental business in China.

1999-2020 **MILESTONES**

15 Dec 1999
Registration of Tritech Engineering & Testing (Singapore) Pte Ltd to provide engineering services including instrumentation and site exploration

1 Aug 2000
Tritech Malaysia registered, to expand the Group's operations in Malaysia

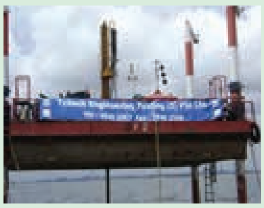
21 Jan 2001
Tritech Consultants registered to enable Tritech to become a leading geotechnical consultants in Singapore



4 April 2002
Tritech Geokon registered, a distributor of Geokon Inc in Singapore

2 Dec 2002
Tritech Consultants became Tritech Consultants Pte. Ltd., to start providing ground improvement services

November **2002** - July **2003** SARS Pandemic



Jan 2004
Tritech entered into various Oil & Gas contracts, as a leading consultant for underground oil storage

4 Feb 2004
Registration of Tritech Water Technologies

Jan 2005
Tritech was awarded a contract for providing instrumentation and monitoring services for MRT Circle Line project, the first contract for instrumentation and monitoring works awarded by LTA to a main contractor in Singapore

4 Jan 2005
Registration of Beijing Wisetec, to expand the Group's operations into China

26 Nov 2005
Acquired 30% of SysEng (S) Pte Ltd to enable our Group to tap into and leverage on the machine-to-machine monitoring technologies, which enabled Tritech to be the leading player in this area

2 Dec 2006
Acquired 100% of Presscrete

Nov 2006
Tritech Engineering was awarded Enterprise 50, and was ranked 13 out of 50 companies

Nov 2007
Tritech Engineering was awarded Enterprise 50, and was ranked 26 out of 50 companies

Aug 2008
Tritech successfully completed its IPO

Early 2008 – mid 2009
Global Financial Crisis

1999 2000 2001 2002 2003 2004 2005 2006 2007 2008

2009 2010 2011 2012 2014 2015 2016 2017 2018 2019 2020

22 Jul 2009
Acquired the remaining 70% of SysEng (S) Pte Ltd

18 Jan 2010
Registration of Tritech Qingdao

27 Aug 2010
Registration of Tritech Water Institute

30 Mar 2011
Acquired Terratech Resources Pte. Ltd. and CEP Resources Entity Sdn Bhd and entered the limestone quarrying business

April **2012**
Tritech Group Ltd was awarded the Singapore Brands **2012**
（新加坡品牌2012）

14 Sep 2012
Announcement of Proposed Spin-Off and Listing of Subsidiaries in the Marble Resource Business

28 Feb 2014
Tritech Group Limited was awarded the "Asia Pacific Brand Award 2014"

30 July 2014
Our Group's subsidiary, Terratech Group Limited, has been successfully listed on SGX Catalist

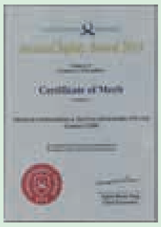
June 2015
SINTEF-TRITECH-MULTICONSULT Consortium was awarded the Singapore Design 2015 for the Jurong Rock Cavern Project

15 Jan 2016
Completion of Water-related and Environmental Business restructuring

22 Jan 2016
Acquired 54% of Geosoft Pte Ltd to enable the Group to own and market the geotechnical engineering commercial program product 2D and 3D GeoFEA

4 May 2017
Completion of disposal and Cessation of subsidiaries in the Marble Resource Business

29 May 2017
Completion of Engineering – Related Business Restructuring



6 Sep 2018
Tritech Engineering was awarded the Annual Safety Award 2018 by LTA for Contract T2209

21 May 2019
Completion of Sale of Wholly-Owned Subsidiary – Presscrete Engineering Pte Ltd

5 August 2019
Completion of partial disposal of Tritech Environmental Group and its direct wholly-owned China subsidiaries

21 May 2020
Vavie Strong Alkaline Cleaning Water has been listed on NEA Interim List of Household Products Effective Against Coronavirus

WORKING TOWARDS OUR GOAL

Going forward, we intend to continue executing our strategy to make Tritech a leading technology center for *Urban Infrastructure, Water & Environmental One-Stop Solution Provider* in Singapore and the region.

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

PROFESSOR YONG KWET YEW
Non-Executive Chairman and Independent Director

DR WANG XIAONING (JEFFREY WANG)
Managing Director

MR AW ENG HAI
Independent Director

DR LOH CHANG KAAN
Non-Independent Non-Executive Director

NOMINATING COMMITTEE

PROFESSOR YONG KWET YEW | Chairman
MR AW ENG HAI
DR WANG XIAONING (JEFFREY WANG)
DR LOH CHANG KAAN

AUDIT COMMITTEE

MR AW ENG HAI | Chairman
PROFESSOR YONG KWET YEW
DR LOH CHANG KAAN

REMUNERATION COMMITTEE

PROFESSOR YONG KWET YEW | Chairman
MR AW ENG HAI
DR LOH CHANG KAAN

COMPANY SECRETARY

LEE PIH PENG, MBA, LLB

REGISTERED OFFICE

31 Changi South Avenue 2
Tritech Building
Singapore 486478
Tel: (65) 6848 2567
Fax: (65) 6848 2568
Website: http://www.tritech.com.sg

SHARE REGISTRAR

BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

INDEPENDENT AUDITORS

ERNST & YOUNG LLP
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS
One Raffles Quay
North Tower #18-01
Singapore 048583

Partner-in-charge: **KEN ONG**
(Appointed since the financial year ended 31 March 2020)

PRINCIPAL BANKERS

DBS BANK
12 Marina Boulevard #43-04
DBS Asia Central @ MBFC Tower 3
Singapore 018982

UNITED OVERSEAS BANK LIMITED
1 Tampines Central 1
#08-01, UOB Tampines Centre
Singapore 529539

SPONSOR

PRIMEPARTNERS CORPORATE FINANCE PTE LTD
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

CORPORATE GOVERNANCE **STATEMENT**

DISCLOSURE TABLE FOR COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE AND CATALIST RULES

The Board of Directors (the "**Board**") and the management (the "**Management**") of Tritech Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") are committed to maintaining high standards of corporate governance and place importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

For the financial year ended 31 March 2020 ("**FY2020**"), the Board and the Management are pleased to confirm that the Company has adhered to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**"), its related practice guidance ("**PG**"), guidelines from the Code of Corporate Governance 2012 (the "**Code 2012**") which are still in effect, the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 (the "**Guide**") as well as the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").

This report outlines the Company's corporate governance practices that were in place during FY2020, with specific reference to the principles and provisions of the Code and the Catalist Rules, where applicable. Where there is a deviation from the Code, an explanation of the reason for variation and how the practices the Company has adopted are consistent with the intent of the relevant principle of the Code have been explicitly stated.

TABLE I – COMPLIANCE WITH THE CODE, CODE 2012 AND THE GUIDE		
Principle	**Code Description**	**Company's Compliance or Explanation**
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations of the Code.	The Company has complied with the principles and guidelines as set out in the Code, Code 2012 and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code, Code 2012 and/or the Guide.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices in FY2020.

CORPORATE GOVERNANCE **STATEMENT**

<table>
<tr><th colspan="3">TABLE I – COMPLIANCE WITH THE CODE, CODE 2012 AND THE GUIDE</th></tr>
<tr><th>Principle</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3">BOARD MATTERS</td></tr>
<tr><td colspan="3">The Board's Conduct of Affairs</td></tr>
<tr><td>1.1</td><td>Board Composition</td><td>As at the date of this report, the Board has four (4) members and comprises the following:
<table>
<tr><th>Composition of the Board</th><th></th><th colspan="3">Composition of the Board Committees
*C – Chairman
*M – Member</th></tr>
<tr><th>Name of Director</th><th>Designation</th><th>AC[1,2]</th><th>NC[1,3]</th><th>RC[1,4]</th></tr>
<tr><td>Professor Yong Kwet Yew</td><td>Non-Executive Chairman and Independent Director</td><td>M</td><td>C</td><td>C</td></tr>
<tr><td>Dr Wang Xiaoning</td><td>Managing Director</td><td>–</td><td>M</td><td>–</td></tr>
<tr><td>Mr Aw Eng Hai</td><td>Independent Director</td><td>C</td><td>M</td><td>M</td></tr>
<tr><td>Dr Loh Chang Kaan</td><td>Non-Executive Non-Independent Director</td><td>M</td><td>M</td><td>M</td></tr>
</table>
Notes:
1. As defined at Section 1.4 of Table I.
2. The AC comprises 3 members, the majority of whom, including the Chairman, are independent. All the members of the AC are non-executive Directors.
3. The NC comprises 4 members, half of whom, including the Chairman, are independent. The NC and the Board have been actively looking at renewal of the Board, including bringing on board an additional independent director to strengthen the independent element of the Board. Following the proposed changes to the composition of the Board, the composition of the NC will be revised so that independent directors will comprise a majority of the NC.
4. The RC comprises 3 members, the majority of whom, including the Chairman, are independent. All the members of the RC are non-executive directors.</td></tr>
<tr><td></td><td>Role of Board</td><td>The Board is entrusted to lead and oversee the Group, with the fundamental principle to act in the best interests of the Group. In addition to its statutory duties, the Board's principal functions are to, inter alia:
• provide entrepreneurial leadership, set out overall long-term strategic plans and objectives for the Group, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;</td></tr>
</table>

CORPORATE GOVERNANCE **STATEMENT**

TABLE I – COMPLIANCE WITH THE CODE, CODE 2012 AND THE GUIDE		
Principle	**Code Description**	**Company's Compliance or Explanation**
		• establish a framework of prudent and effective internal controls and risk management strategies which enables risk to be assessed and managed, including safeguarding of shareholders' interest and the Group's assets; • reviewing the performance of Management and key management personnel; • ensure good corporate governance practices to protect the interests of shareholders; • identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation; • set the Group's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; • consider sustainability issues such as environmental and social factors, as part of the Company's strategic formulation; • oversee, through the NC, *inter alia*, the appointment, re-election and resignation of Directors and the Management; • oversee, through the AC, *inter alia*, appointment and review of external auditors ("**EA**"); • oversee, through the RC, *inter alia*, the design and operation of an appropriate remuneration framework; and • chart broad policies and strategies of the Company.
	Practices relating to conflict of interest	The Board is guided by the provisions of the constitution of the Company (the "**Constitution**"), which aim to avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict with the interest of the Company. The Company has in place practices to address potential conflicts of interests. All Directors are required to notify the Company promptly of all conflicts of interests as soon as practicable as well as when required and refresh the required declarations annually. Directors are required to recuse themselves from all deliberations/voting in relation to the matters which he or she has a conflict of interest in unless the Board is of the opinion that the participation of the conflicted Director is of the best interest to the Company.
	Code of Ethics and Conduct	The Board has put into place a Code of Ethics and Conduct to create a corporate culture within the Group to operate the businesses of the Group in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct.
1.2	Directors' training and orientation (a) Are new Directors given formal training? If not, please explain why.	Upon the appointment of a new Director, the Company will provide the Director with a formal letter, setting out the Director's duties and obligations. The Board ensures that all incoming Directors will receive comprehensive and tailored induction on joining the Board, including briefing on his duties as a Director and how to discharge those duties, and an orientation program to ensure that they are familiar with the Company's business and organisation structure, strategic direction and governance practices as well as the expected duties of a director of a listed company.

CORPORATE GOVERNANCE **STATEMENT**

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<tr><th>Principle</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>The Company also provides training for any new first-time Directors (who have no prior experience as a director in a listed company) in areas such as accounting, legal and industry-specific knowledge as appropriate through external courses. All new first-time Directors are also required to attend appropriate SGX-SID Listed Company Director Programmes offered by the Singapore Institute of Directors ("SID") within 1 year from the date of his or her appointment in accordance with the Catalist Rules.

To get a better understanding of the Company's business, the Director will also be given the opportunity to visit the Company's operational facilities and meet with key management personnel periodically.</td></tr>
<tr><td></td><td>(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?</td><td>The Board values on-going professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on and contribute to the Board. To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject area, such as, committee membership, key developments in the Company's environment, and market or operations which may be provided by accredited training providers such as SID. Directors are encouraged to consult the Chairman if they consider that they personally, or the Board as a whole, would benefit from specific education or training regarding matters that fall within the responsibility of the Board or relate to the Company's business. Such trainings costs are borne by the Company.</td></tr>
<tr><td></td><td><u>Training attended for FY2020</u></td><td>During FY2020, Directors had attended certain training programmes, seminars and workshops organised by various professional bodies and organisations to equip themselves to effectively discharge their duties and to enhance their skills and knowledge, either as part of their own professional practice or skills upgrading, or through the Company.

In addition, briefing and updates for the Directors in FY2020 included the following:
• briefing and updates from the EA on changes or amendments to accounting standards; and
• briefing and updates from the Company Secretary, where appropriate, on the regulatory changes under the Catalist Rules, the Companies Act (Cap. 50) of Singapore ("Companies Act") and the Code.</td></tr>
</table>

CORPORATE GOVERNANCE STATEMENT

TABLE I – COMPLIANCE WITH THE CODE, CODE 2012 AND THE GUIDE		
Principle	**Code Description**	**Company's Compliance or Explanation**
1.3	Matters requiring Board's approval	Matters and transactions that require the Board's approval include, amongst others, the following: • corporate or financial restructuring; • corporate strategy and business plans; • material acquisitions and disposals; • share issuances (including stock options or other equity awards), dividends and other capital transactions and returns to shareholders; • approval of annual audited financial statements of the Group and the Directors' Statement thereto; • any public reports or press releases reporting the financial results of the Group's operations; and • matters involving a conflict or potential conflict of interest involving a substantial shareholder or a Director.
1.4	Delegation to Board Committees	The Board has delegated certain responsibilities to the Audit Committee ("**AC**"), the Remuneration Committee ("**RC**") and the Nominating Committee ("**NC**") (collectively, the "**Board Committees**"). The composition of the Board Committees is set out in Section 1.1 of Table I.
1.5	Attendance of Board and Board Committees	The Company has changed to half-yearly reporting of its financial results pursuant to the amendment to the Catalist Rules which took effect on 7 February 2020. In line with this, the Board and the AC will be meeting on a half-yearly rather than quarterly basis, and as and when circumstances require. In FY2020, the number of Board and Board Committee Meetings held, and the attendance of each Board member are shown below.

Board and Board Committee Meetings held in FY2020				
	Board	**AC**	**NC**	**RC**
Number of Meetings Held	3	3	1	1
Name of Director	**Number of Meetings Attended**			
Professor Yong Kwet Yew	3	3	1	1
Dr Wang Xiaoning	3	3^	1	1^
Mr Aw Eng Hai	3	3	1	1
Dr Loh Chang Kaan	3	3	1	1
Dr Cai Jungang[1]	3	3^	1^	1^

^ By Invitation.

[1] Dr Cai Jungang was an Executive Director of the Company. He resigned as Executive Director of the Company with effect from 23 July 2020 and remains as a consultant with the Company.

The Company's Constitution allows for meetings to be held in person, through telephone and/or video-conference.

CORPORATE GOVERNANCE **STATEMENT**

<table>
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<tr><th>Principle</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1.6</td><td><u>Access to information</u>
What types of information does the Company provide to Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?</td><td>Directors are provided with complete and adequate information related to agenda items for meetings or as required for them to make informed decisions and discharge their duties and responsibilities.

Management provides the Board with the requisite information in a timely manner prior to meetings and whenever required. The information provided to Directors for FY2020 is set out in the table below.

<table>
<tr><th colspan="3">Types of information provided by Management</th></tr>
<tr><th>No.</th><th>Information</th><th>Frequency</th></tr>
<tr><td>1.</td><td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>Quarterly*</td></tr>
<tr><td>2.</td><td>Updates to the Group's operations and the markets in which the Group operates in</td><td>Half-yearly/as and when relevant</td></tr>
<tr><td>3.</td><td>Management accounts (with financial analysis)</td><td>Half-yearly/as and when requested by the Board</td></tr>
<tr><td>4.</td><td>External Auditors' reports</td><td>Yearly</td></tr>
<tr><td>5.</td><td>Internal auditors' ("IA") report(s)</td><td>Yearly</td></tr>
<tr><td>6.</td><td>Shareholding statistics</td><td>Yearly or as and when relevant</td></tr>
<tr><td>7.</td><td>Changes or updates to enterprise risk framework</td><td>As and when relevant</td></tr>
<tr><td>8.</td><td>Significant project updates</td><td>As and when relevant</td></tr>
<tr><td>9.</td><td>Reports on on-going or planned corporate actions</td><td>As and when relevant</td></tr>
<tr><td>10.</td><td>Regulatory updates and implications</td><td>As and when relevant</td></tr>
<tr><td>11.</td><td>Research report(s)</td><td>As and when relevant</td></tr>
</table>

* Following the AC and the Board meetings held on 29 July 2020 to review the full year financial results for FY2020, the Board and the AC will be meeting on a half-yearly rather than quarterly basis to review the financial results of the Group, (starting with the review of the half-year unaudited financial results for the Group for the financial year ending 31 March 2021 in November 2020), and as and when circumstances require.

Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information at least one week prior to the meetings to allow sufficient time for review by the Directors.</td></tr>
</table>

CORPORATE GOVERNANCE STATEMENT

TABLE I – COMPLIANCE WITH THE CODE, CODE 2012 AND THE GUIDE		
Principle	**Code Description**	**Company's Compliance or Explanation**
		Management will also endeavour to encrypt documents which bear material price sensitive information when circulating documents electronically. Management will also provide any additional material information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.
1.7	Change of company secretary	The appointment and removal of the company secretary is a matter for the Board as a whole.
	Access to Management and company secretary	Directors have separate and independent access to the Management and company secretary at all times.
	Access to professional advice	Individually or collectively, in order to execute their duties, Directors can obtain independent professional advice at the Company's expense when required.
Board Composition and Guidance		
2.1 2.2 2.3 3.3 2.1 of Code 2012	Board Composition Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	In view that the Chairman is independent, the Company complies with Guideline 2.1 of the Code 2012 which requires Independent Directors to make up at least one-third of the Board. The Company also complies with Provision 2.3 of the Code which requires the Non-Executive Directors to make up a majority of the Board.
	Lead Independent Director	The NC has deliberated and is of the view that the appointment of a Lead Independent Director is not necessary given that the Chairman of the Board is independent.
2.1 2.4 4.4 2.4 of Code 2012	Independence Assessment of Directors (a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code and Catalist Rules that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	The Board considers the existence of relationships or circumstances, including those identified by the Code and the Catalist Rules that are relevant to determine whether a Director is independent. In addition, the NC annually reviews the individual director's declaration in their assessment of independence, and as and when circumstances require. The NC has reviewed and confirmed that the independence of the Independent Directors is in accordance with the Code, PG and Catalist Rules. The Independent Directors have also confirmed their independence in accordance with the Code, PG and Catalist Rules. There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship that would otherwise deem him not to be independent.

CORPORATE GOVERNANCE **STATEMENT**

TABLE I – COMPLIANCE WITH THE CODE, CODE 2012 AND THE GUIDE		
Principle	**Code Description**	**Company's Compliance or Explanation**
	Independent Directors serving beyond nine years Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.	As required by the Code 2012, the independence of any director who served beyond nine years from the date of his first appointment should be subjected to particularly rigorous review. Notwithstanding that Professor Yong Kwet Yew and Mr Aw Eng Hai have served beyond nine years since the date of their first appointment, the NC and the Board is of the view that both Professor Yong Kwet Yew and Mr Aw Eng Hai are independent as they have respectively and individually: • contributed constructively and objectively throughout their terms in the Company; • sought clarification and amplification of matters from time to time as they deemed necessary, including through direct access to key management personnel; and • provided impartial advice and insights, and exercised their strong independent characters and judgments in doing so. The following assessments were conducted and deliberated by the NC and the Board before arriving at the aforementioned conclusion: • review of Board and Board Committee meeting minutes to assess questions and voting actions of the respective Independent Directors; • Professor Yong Kwet Yew and Mr Aw Eng Hai's declarations of independence; and • board committee performance assessment done by the other Directors. Professor Yong Kwet Yew and Mr Aw Eng Hai had abstained from deliberating on the matter relating to this assessment.
	Board diversity (a) What is the Board's policy with regard to diversity in identifying director nominees?	The Board's policy with regard to diversity in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The Board is mindful that diversity is not specific to gender or certain personal attributes and will strive to ensure diversity to enhance the long-term success of the Group. The objective of the policy is to avoid groupthink and foster constructive debate and ensure that composition is optimal to support the Group's needs in the short and long term.

CORPORATE GOVERNANCE STATEMENT

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<tr><th>Principle</th><th>Code Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</td><td>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:
<table>
<tr><th colspan="3">Diversity of the Board</th></tr>
<tr><th></th><th>Number of Directors</th><th>Proportion of Board</th></tr>
<tr><td>Core Competencies</td><td></td><td></td></tr>
<tr><td>Accounting or finance</td><td>1</td><td>25%</td></tr>
<tr><td>Business management</td><td>4</td><td>100%</td></tr>
<tr><td>Legal or corporate governance</td><td>1</td><td>25%</td></tr>
<tr><td>Relevant industry knowledge or experience</td><td>4</td><td>100%</td></tr>
<tr><td>Strategic planning experience</td><td>4</td><td>100%</td></tr>
<tr><td>Customer based experience or knowledge</td><td>4</td><td>100%</td></tr>
<tr><td>Gender</td><td></td><td></td></tr>
<tr><td>Male</td><td>4</td><td>100%</td></tr>
<tr><td>Female</td><td>–</td><td>–</td></tr>
</table>
The Board comprises business leaders and professionals with financial, business management and relevant industry experience. The Board has reviewed its composition, taking into account the size and nature of the operations of the Group, and is satisfied that the current size of the Board is appropriate and allows for effective decision making, providing the necessary core competencies to meet the Group’s needs and to allow for diverse and objective perspectives on the Group’s strategic direction and growth. The Independent Director, Mr Aw Eng Hai has extensive experience in accounting and corporate governance. In addition to the Executive Director and Non-Executive Directors, Independent Director Professor Yong Kwet Yew has extensive relevant industry experience, strategic planning experience and customer-based knowledge.</td></tr>
<tr><td></td><td>(c) What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?</td><td>The Board took the following steps to maintain or enhance its balance and diversity:
• annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhances the efficacy of the Board; and
• annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.</td></tr>
</table>

CORPORATE GOVERNANCE STATEMENT

TABLE I – COMPLIANCE WITH THE CODE, CODE 2012 AND THE GUIDE		
Principle	**Code Description**	**Company's Compliance or Explanation**
2.5	Meeting in the absence of the Management	The Non-Executive Directors will meet or confer in discussions without the presence of Management and the Independent Directors will meet or confer in discussions without the presence of Management or other Directors when circumstances warrant, and the Independent Directors meet regularly without the presence of Management in the meetings with the EA and IA at least annually, and on such other occasions as may be required and the chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate.
CHAIRMAN AND CHIEF EXECUTIVE OFFICER		
3.1 3.2	Role of Chairman and Managing Director	The Group's policy is to have a separate Non-Executive Chairman and Managing Director in order to provide an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. Professor Yong Kwet Yew is the Non-Executive Chairman and Dr Wang Xiaoning is the Managing Director of the Company. There is a clear division of responsibilities between the Non-Executive Chairman and the Managing Director, which ensures that there is a balance of power and authority, and that accountability and independent decision-making are not compromised. The Managing Director has full executive responsibilities in the business directions and operational efficiency of the Group. He oversees the execution of the Group's corporate and business strategies and is responsible for the day-today-running of the business. The Non-Executive Chairman oversees the business of the Board. He leads Board discussions and ensures that Board meetings are convened when necessary. He sets the Board's meeting agenda in consultation with the Managing Director and ensures the quality, quantity and timeliness of the flow of information between the Board and key management personnel to facilitate efficient decision making, effective contribution and promote high standards of corporate governance.
	Relationship between Chairman and Managing Director	Both the Non-Executive Chairman and the Managing Director are not related to each other. The Non-Executive Chairman is also an Independent Director who is not part of the Management. The Board is of the view that there are sufficient safeguards and checks that the process of decision making by the Board is independent and based on collective decisions, without any individual or groups of individuals exercising any considerable concentration of power or influence.

CORPORATE GOVERNANCE STATEMENT

TABLE I – COMPLIANCE WITH THE CODE, CODE 2012 AND THE GUIDE		
Principle	**Code Description**	**Company's Compliance or Explanation**
BOARD MEMBERSHIP		
4	Steps taken to progressively renew the Board composition	The Board is of the opinion that it would be more effective to draw on the wealth of experience from the longer serving directors while concurrently taking progressive steps to review and consider suitable candidate(s) to refresh the Board as and when opportunities arise. To meet the changing conditions or challenges in the industry and countries which the Group operates in as well as the need for progressive renewal of the Board, the Board also regularly reviews the Board composition, which includes considering factors such as the expertise, skills and perspectives which the Board needs against its existing competencies ensuring that the Board's dynamics remain optimal. For the review of succession plans and Board's composition for FY2020, the NC also took into consideration the amendments to the Catalist Rules in relation to the continued appointment of an independent director who has served for an aggregate period of more than nine years, bearing in mind that requirements for such directors to be considered independent will come into effect from 1 January 2022. For reasons as mentioned above, the NC is of the view that notwithstanding that Professor Yong Kwet Yew and Mr Aw Eng Hai have served beyond nine years since the date of their first appointment, they continue to be independent and the Company will take the appropriate steps, if necessary, to seek shareholders' approval for their continued appointment as independent directors in accordance with the Catalist Rules.
4.1	Role of NC	The NC is guided by key terms of reference as follows: (a) determining annually, and as and when circumstances require, whether a Director is independent, and providing its views to the Board in relation thereto for the Board's consideration; (b) making recommendations to the Board on the appointment and re-appointment of Directors (including alternate directors, if applicable); (c) where a Director or proposed Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as a Director; (d) carrying out, at least annually, a formal assessment of the performance and effectiveness of the Board as a whole and its Board Committees and (if applicable) the contributions of individual Directors to the effectiveness of the Board, based on the process implemented by the Board; (e) based on the results of the performance evaluation, providing its views and recommendations to the Board, including any appointment of new members; (f) the review of board succession plan for Directors, in particular the appointment/or replacement of the Chairman, the Managing Director and the key management personnel; and (g) the review of training and professional development programs for the Board.

CORPORATE GOVERNANCE STATEMENT

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<tr><th colspan="3">TABLE I – COMPLIANCE WITH THE CODE, CODE 2012 AND THE GUIDE</th></tr>
<tr><th>Principle</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>4.3</td><td><u>Selecting Appointment and Re-appointment of Directors</u>
Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.</td><td>
<table>
<tr><th colspan="3">Selection and Appointment of New Directors</th></tr>
<tr><th colspan="3">The NC:</th></tr>
<tr><td>1.</td><td>Determines selection criteria</td><td>In consultation with the Board, identifies the current needs and inadequacies the Board requires to complement and strengthen the Board.

Determines the role and which competencies are required for the new appointment after such consultation.</td></tr>
<tr><td>2.</td><td>Search for candidates</td><td>Considers candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</td></tr>
<tr><td>3.</td><td>Assesses shortlisted candidates</td><td>Meets and interviews the shortlisted candidates to assess their suitability, taking into account various factors including their relevant expertise, experience, qualification, background, attributes, capabilities, skills and age of the candidates and how these would augment the Board and its existing Directors, and ensure shortlisted candidates are aware of the expectation and level of commitment required.

Shortlisted candidates would be required to furnish their curriculum vitae and complete certain forms to enable the NC to assess the candidate in compliance with the Company's established internal guidelines.</td></tr>
<tr><td>4.</td><td>Proposes recommendations</td><td>Makes recommendations for Board's consideration and approval.</td></tr>
</table>

<table>
<tr><th colspan="3">Re-election of Incumbent Directors</th></tr>
<tr><th colspan="3">The NC:</th></tr>
<tr><td>1.</td><td>Assesses incumbent director</td><td>Assess the performance of the director in accordance with the performance criteria set out by the Board with consideration of the current needs of the Board.</td></tr>
<tr><td>2.</td><td>Proposes re-appointment of Director</td><td>Recommends the re-appointment of the Director to the Board for its consideration and approval, subject to its satisfactory assessment.</td></tr>
</table>
</td></tr>
</table>

CORPORATE GOVERNANCE **STATEMENT**

TABLE I – COMPLIANCE WITH THE CODE, CODE 2012 AND THE GUIDE		
Principle	**Code Description**	**Company's Compliance or Explanation**
		After reviewing and considering the NC's recommendations, the Board would make the decision to appoint the new director and/or propose the re-election of the incumbent director for shareholders' approval. Pursuant to Article 99 of the Company's constitution, at least one-third of the Directors are required to retire by rotation and submit themselves for re-election at each annual general meeting ("**AGM**") of the Company. The Company's Constitution and the Catalist Rules, provides that all Directors shall retire by rotation at least once every three years and such retiring Director shall be eligible for re-election. The NC, with the respective members interested in the discussion having abstained from the deliberations, recommended Dr Wang Xiaoning and Mr Aw Eng Hai be nominated for re-election at the forthcoming AGM. Dr Wang Xiaoning, upon re-election as a Director of the Company, will remain as the Managing Director of the Company and a member of the Nominating Committee. Dr Wang Xiaoning is also a substantial shareholder of the Company holding 120,673,628 ordinary shares, representing 12.5% of the issued and paid-up share capital of the Company. Mr Aw Eng Hai, upon re-election as a Director of the Company, will remain as the Independent Director of the Company, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. The Board considers Mr Aw Eng Hai to be independent for the purpose of Rule 704(7) of the Catalist Rules. Saved as disclosed, neither Dr Wang Xiaoning nor Mr Aw Eng Hai has any material relationships between themselves and the Directors, the Company and its substantial shareholders. Pursuant to Rule 720(5) of the Catalist Rules, the additional information set out in Appendix 7F of the Catalist Rules relating to Dr Wang Xiaoning and Mr Aw Eng Hai who are seeking re-appointment is disclosed below and is to be read in conjunction with their respective biographies under the respective sections of this Annual Report.
4.5	Assessment of Directors' ability to discharge duties	As part of the assessment of Directors' performance, the NC assesses if Directors are able to and have been adequately carrying out their duties, taking into account the multiple directorships and principal commitments of the Directors (if any). Assessment of the individual Directors' performance was based on the criteria set out in Section 5.1 of Table I. The following were used to assess the performance and consider competing time commitments of the Directors: • declarations by each Director of their other listed company directorships and principal commitments; and • annual confirmations by each Director on his/her ability to devote sufficient time and attention to the Company's affairs, having regard to his/her other commitments;

CORPORATE GOVERNANCE **STATEMENT**

TABLE I – COMPLIANCE WITH THE CODE, CODE 2012 AND THE GUIDE		
Principle	**Code Description**	**Company's Compliance or Explanation**
		The NC had reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and principal commitments of each of the Directors (if any) and is satisfied that all Directors were able to diligently discharge their duties for FY2020. A list of the other listed company directorships and principal commitments of each of the Directors (if any) for FY2020 is set out on pages 12 to 13 of this Annual Report. The NC has reviewed each Director's other directorships and principal commitments. Despite the multiple directorships or principal commitments of some Directors, the NC was satisfied that such Directors spent adequate time on the Company's affairs and have carried out their responsibilities and duties as a director of the Company. The NC took into account the results of the assessment of the performance of the relevant Director, the level of commitment required of the Director's other directorships or principal commitments, and the relevant Director's actual conduct and participation on the Board and board committees, including availability and attendance at regular scheduled meetings and ad-hoc meetings, in making the determination, and is satisfied that such Directors have been able to and have adequately carried out their duties as Director notwithstanding their other directorships or principal commitments.
	Multiple Directorships (a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	The Board has not capped the maximum number of listed company board representations each Director may hold.
	(b) If a maximum has not been determined, what are the reasons?	The Board, with the concurrence of the NC, has agreed that the Company shall not impose a maximum number of listed board representations on the Directors as the Board is of the opinion that setting a fixed number would not adequately take into account the varied circumstances of each Director, and the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his or her other listed company board directorships and other principal commitments, not guided by a numerical limit. The NC would monitor and determine annually, on a case-by-case basis, whether each Director has given sufficient time and attention to the affairs of the Company and adequately carry out his/her duties as a Director of the Company. Although some of the Directors have other board representations, the NC is satisfied that in FY2020, each Director was able to devote adequate time and attention to the affairs of the Company to fulfil his duties as a Director of the Company.

CORPORATE GOVERNANCE STATEMENT

TABLE I – COMPLIANCE WITH THE CODE, CODE 2012 AND THE GUIDE		
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	(c) What are the specific considerations in deciding on the capacity of directors?	Some specific considerations which may be relevant in assessing the capacity of Directors include: • expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity; • geographical location of Directors; • size and composition of the Board; • nature and scope of the Group's operations and size; and • capacity, complexity and expectations of the other listed directorships and principal commitments held. The NC also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The NC does not wish to omit from consideration outstanding individuals who, despite the demands of their time, have the capacity to participate and contribute as members of the Board.
PG 4	Alternate Directors	The Company currently does not have any alternate directors. Alternate directors will be appointed as and when the Board deems necessary. Circumstances which warrant such appointments may include health, age related concerns as well as Management succession plans.

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<tr><th>Principle</th><th>Code Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><th colspan="3">BOARD PERFORMANCE</th></tr>
<tr><td>5.1</td><td><u>Performance Criteria</u></td><td>The table below sets out the key performance criteria, recommended by the NC and approved by the Board, to evaluate the effectiveness of the Board as a whole and its Board Committees. The evaluations are designed to assess the Board’s effectiveness to enable the NC Chairman and Board to identify the areas of improvement or enhancement which can be made to the Board.
<table>
<tr><th colspan="2">Board Performance Criteria</th></tr>
<tr><th>Key Performance Criteria</th><th>Board and Board Committees</th></tr>
<tr><td>Qualitative</td><td>1. Size and composition, access to information and Board processes
2. Strategic planning
3. Board accountability
4. Risk management
5. Succession planning</td></tr>
<tr><td>Quantitative</td><td>The Board currently does not evaluate the Board and Board Committees based on quantitative criteria as the Board is of the opinion that it is more important to evaluate the Board and Board Committees on its ability to provide guidance to Management in relation to strategic planning and the development of the business of the Group. However, the Board will keep in view and consider including quantitative criteria in future evaluations where appropriate.</td></tr>
</table>
The NC would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment, taking into consideration, inter alia, industry standards, changes to the Group’s principal business activities and markets which it operates in, necessary core competencies needed to meet the Group’s needs, with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval.

The NC did not propose any changes to the performance criteria for FY2020 as compared to the previous financial year as, inter alia, the Group’s principal business activities and markets which it operates in remained largely the same, apart from the disruptions to business and operations due to the implementation of the circuit breaker measures as a response to the COVID-19 pandemic.</td></tr>
</table>

CORPORATE GOVERNANCE STATEMENT

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5.2	Performance Review (a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	The review of the performance of the Board and the Board Committees is conducted by the NC annually. Currently, such assessment is focused mainly on the performance and effectiveness of the Board as a whole and on the proper functioning of the various Board Committees and does not include a separate or specific assessment of the performance or contributions of individual Directors. This is because the necessity or efficacy of adopting a formal process for assessing the contribution by the Non-Executive Chairman and each individual Director to the effectiveness of the Board is mitigated by the relatively small size of the Board, although the NC and the Board may review this in the future as the Company and the Board becomes more mature and established in its business and corporate governance practices. In FY2020, the review process was as follows: 1. all Directors individually completed a board evaluation questionnaire on the effectiveness of the Board and the Board Committees based on criteria disclosed in the table above; 2. the results of such assessment were collated and submitted to the NC Chairman who reviewed it together with the NC; and 3. the NC discussed the report and where applicable considered and made recommendations to the Board on any appropriate follow up actions to be undertaken. No external facilitator was used in the evaluation process.
	(b) Has the Board met its performance objectives?	In FY2020, in relation to the rigorous assessment that was done by the Directors, the Directors have on a whole assessed the performance of the Board and Board committees to be good and there were no particular issues or concerns that were highlighted. On this basis, the Board has met its performance objectives.
REMUNERATION MATTERS		
DEVELOPING REMUNERATION POLICIES		
6.1 6.3	Role of the RC	The RC is guided by key terms of reference which include: (a) review and recommend to the Board a general framework of remuneration and specific remuneration packages for each Director and key management personnel; (b) consider and approve termination payments, retirement payments, gratuities, ex-gratia payment, severance payments and other similar payments to each member of key management personnel; (c) reviewing all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefit-in-kind; (d) reviewing annually the remuneration of employees who are immediate family members of a Director or the Managing Director or a substantial shareholder and whose remuneration exceeds $100,000 during the financial year; and (e) reviewing the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service.

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		The RC's review and recommendations cover all aspects including fees, salaries, allowance, bonuses, options, share-based incentives, awards and benefits-in-kind. No member of the RC is involved in deciding his/her own remuneration, except in providing information and documents if specifically requested by the RC in its deliberation.
6.4	Engagement of Remuneration Consultants	No remuneration consultants were engaged by the Company for FY2020 for the remuneration packages of its Directors and key management personnel as the Company is of the view that the annual review by the RC, giving due regard to prevailing market conditions as well as the financial, commercial health and business needs of the Group, is currently sufficient to ensure the continued relevance of such remuneration packages to the Group's strategic business objectives and alignment with market practices.
	"Claw-back" Provisions	There are no contractual provisions which allow the Company to reclaim incentives from the Executive Directors and key management personnel in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual results of its Executive Directors and key management personnel, "**claw-back**" provisions in the service agreements may not be relevant or appropriate.
LEVEL AND MIX OF REMUNERATION		
DISCLOSURE ON REMUNERATION		
7.1 7.3 8.1	Remuneration Policy	The Company's remuneration policy which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives and awards is one that seeks to attract, retain and motivate the Directors to provide good stewardship of the Company and the key management to successfully manage the Company. The policy allows the Company to align the interest of individual Directors and key management to those of the shareholders and promotes the long-term success of the Company. In its deliberations, the RC takes into account the risk policies of the Company, symmetry with risk outcomes and time horizon of risks as well as industry benchmarks and norms in compensation.
	Remuneration Structure for Executive Directors and Key Management Personnel (a) Please describe how the remuneration received by the Executive Directors and key management personnel has been determined by the performance criteria.	The remuneration received by the Executive Directors and key management personnel is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance to promote the long-term sustainability of the Group. The remuneration package takes into consideration the Director's individual performance and contribution towards the overall performance of the Group for FY2020. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.

CORPORATE GOVERNANCE STATEMENT

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<tr><td></td><td>(b) What were the performance conditions used to determine their entitlement under the short term and long-term incentive schemes?</td><td>The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders.
<table>
<tr><th>Performance Conditions</th><th>Short-term Incentives (such as performance bonus)</th><th>Long-term Incentives (such as share scheme)</th></tr>
<tr><td>Qualitative</td><td>1. Leadership
2. People development
3. Commitment
4. Teamwork
5. Current market and industry practices
6. Macro-economic factors</td><td>1. Commitment
2. Current market and industry practices</td></tr>
<tr><td>Quantitative</td><td>1. Relative financial performance of the Group to its industry peers
2. Productivity enhancement</td><td>1. Relative financial performance of the Group to its industry peers over a 5-year period</td></tr>
</table>
</td></tr>
<tr><td></td><td>(c) Were all of these performance conditions met? If not, what were the reasons?</td><td>Yes, the RC has reviewed and is satisfied that the performance conditions were met in FY2020.</td></tr>
<tr><td>7.2</td><td><u>Remuneration Structure of Non-Executive Directors</u></td><td>The Non-Executive Directors receive their remuneration in the form of directors' fees, and the level and structure of such remuneration takes into consideration factors such as the role and responsibilities of individual Directors, the effort and time spent in attending meetings of the Board and Committees and other involvement and participation in the affairs of the Company and the Group. The payment of directors' fees to the Non-Executive Directors for services rendered in FY2020 is subject to the approval of shareholders at the AGM of the Company. The fees for the financial year in review are determined at the end of the financial year. The fees proposed by the Management are submitted to the RC for review and thereafter recommended to the Board for approval. The Executive Directors do not receive directors' fees.

The RC has reviewed and assessed that the remuneration of the Non-Executive Directors for FY2020 is appropriate, having considered, inter alia, their effort, time spent and responsibilities.

Apart from directors' fees, there are certain consultancy fees paid to one of our Non-Executive Non-Independent Director, Dr Loh Chang Kaan in respect of certain consultancy services which he provides to the Group outside the scope of his office as a Director of the Company. Please refer to Section 8.1 (a) and (b) for further details.</td></tr>
</table>

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<tr>
<td>8.1 (a)
8.1 (b)</td>
<td>(a) Has the Company disclosed each Director’s and the CEO’s remuneration as well as a break down (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td>
<td>
The breakdown for the remuneration[(1)] of the Directors and the Managing Director for FY2020 is as follows:
<table>
<tr><th></th><th>Salary (%)</th><th>Bonus (%)</th><th>Directors Fees (%)</th><th>Benefits (%)*</th></tr>
<tr><td>Dr Wang Xiaoning</td><td>88.0</td><td>8.8</td><td>–</td><td>3.2</td></tr>
<tr><td>Dr Cai Jungang[(2)]</td><td>81.4</td><td>14.6</td><td>–</td><td>4.0</td></tr>
<tr><td>Dr Loh Chang Kaan[(3)]</td><td>–</td><td>–</td><td>100</td><td>–</td></tr>
<tr><td>Professor Yong Kwet Yew</td><td></td><td></td><td>100</td><td></td></tr>
<tr><td>Mr Aw Eng Hai</td><td></td><td></td><td>100</td><td></td></tr>
</table>
* includes mainly employer’s contributions to the Central Provident Fund.
1 The annual remuneration of each individual Director and Managing Director for FY2020 is not disclosed in exact dollar terms as the Board believes that such disclosure would be disadvantageous to the Group’s business interest given the highly niche and competitive industry that the Company operates in, which is highly reliant on employees with specialised skill sets.
2 During FY2020, Dr Cai Jungang was an Executive Director of the Company. He resigned as Executive Director of the Company with effect from 23 July 2020 and remains a consultant with the Company.
3 Apart from the Director’s Fee payable to Dr Loh Chang Kaan which will be subjected to Shareholders’ approval at the upcoming AGM, Dr Loh Chang Kaan was paid certain consultancy fees pursuant to the consultancy agreement dated 1 April 2019 entered into between Dr Loh Chang Kaan and Tritech Consultants Pte. Ltd. (“Tritech Consultants”) and the consultancy agreement dated 21 May 2019 entered into between Dr Loh Chang Kaan and TGL Engineering Group Pte. Ltd. (“TGL Engineering”) (collectively the “Consultancy Agreements”).
Please refer to Section 1204(17) of Table II for further details on the amounts paid under the Consultancy Agreements for FY2020.
Under the consultancy agreement between TGL Engineering and Dr Loh Chang Kaan, Dr Loh has agreed inter alia, to assist Presscrete Engineering Pte. Ltd. (“Presscrete”) in undertaking the completion of certain agreed projects of Presscrete on an unremunerated basis as required under the terms and conditions of the disposal of Presscrete by TGL Engineering.
Under the consultancy agreement between Tritech Consultants and Dr Loh Chang Kaan, Dr Loh Chang Kaan has agreed inter alia, to provide certain consultancy services to Tritech Consultants in connection with the execution of certain projects undertaken by Tritech Consultants.
The consultancy fees paid in FY2020 to Dr Loh Chang Kaan comprise the agreed fixed remuneration under the Consultancy Agreements and a bonus payment made by Tritech Consultants.
There was no termination, retirement, post-employment benefits that may be granted to the Directors, the Managing Director and top 3 key management personnel.
</td>
</tr>
</table>

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<table>
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<tr><th>Principle</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td>(b) Has the Company disclosed each key management personnel's remuneration in bands of $250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>Given the size and nature of the Company's business, the Company has only identified 3 top key management personnel (excluding key management personnel who are not Directors or the Managing Director) in FY2020.

<table>
<tr><th colspan="4">Remuneration of Key Management Personnel</th></tr>
<tr><th></th><th>Salary (%)</th><th>Bonus (%)</th><th>Benefits (%)*</th></tr>
<tr><td colspan="4">$250,001 to $500,000</td></tr>
<tr><td>Mr Wang Yongjie</td><td>89.4</td><td>5.2</td><td>5.4</td></tr>
<tr><td colspan="4">Below $250,000</td></tr>
<tr><td>Ms Bi Xiling</td><td>88.0</td><td>5.0</td><td>7.0</td></tr>
<tr><td>Dr Hong Sze Han</td><td>87.6</td><td>3.7</td><td>8.7</td></tr>
</table>
*includes mainly employer's contributions to the Central Provident Fund.</td></tr>
<tr><td></td><td>(c) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</td><td>The total remuneration paid to the top 3 key management personnel (excluding key management personnel who are not Directors or the Managing Director) for FY2020 was $576,172.</td></tr>
<tr><td>8.2</td><td><u>Related Employees</u>
Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds $100,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.</td><td>Ms Bi Xiling, Technical Director of Tritech Consultants Pte. Ltd. is the spouse of Dr Cai Jungang. Dr Cai Jungang was an Executive Director of the Company in FY2020, who had since resigned as an Executive Director of the Company with effect from 23 July 2020 but remains as a substantial shareholder of the Company. The remuneration of Ms Bi Xiling was between $150,000 to $200,000 in FY2020.</td></tr>
<tr><td>8.3</td><td><u>Employee Share Scheme(s)</u></td><td>As the Tritech Group Employee Share Option Scheme and Tritech Group Performance Share Plan has expired as of 26 July 2020, the Company does not have any prevailing employee share scheme(s).

Please refer to pages 59 to 61 of this Annual Report for details of the share awards previously granted to 5 employees of the Group on 28 March 2019 under the Tritech Group Performance Share Plan.</td></tr>
</table>

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ACCOUNTABILITY AND AUDIT		
RISK MANAGEMENT AND INTERNAL CONTROLS		
9.1	Risk Governance by the Board	The Board is responsible for the overall risk governance, risk management and internal control framework of the Group. The Board has in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks. The Board also oversees Management in the design, implementation and monitoring of the risk management and internal control systems and is responsible for determining the Company's risk policies and level of risk tolerance.
	Identification of the Group's Risks	The Group has in place a structured and systematic approach to risk management and aims to mitigate the exposures through appropriate risk management strategies and internal controls, which parameters have been reviewed and approved by the Board on an annual basis. Risk management in the Group is a continuous, iterative and integrated process which has been incorporated into various planning, approval, execution, monitoring, review and reporting systems. The Group adopts a top-down as well as bottom-up approach on risk management to ensure strategic, business, operational, financial, reporting, compliance and information technology risk exposures are identified and appropriately managed.
	Management of Risk	Given the nature and size of the Group's business and operations, the Company has not established a separate Risk Management Committee. Instead the review of the Group's risk management and internal control systems including, financial, operational, compliance and information technology controls, falls under the purview the AC. The Directors and the AC reviews all significant control policies and procedures of the Group on a periodic basis, including through the annual internal audits conducted by the IA. Where there were no material weaknesses identified, the Board noted that there are some areas requiring improvement as identified by the IA during the course of their audit performed in FY2020. The Board has accepted the IA's recommendations and has implemented the various recommendations to address such deficiencies identified. The Board notes that the system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

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9.2	Confirmation of Internal Controls (a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	The Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology risks) and risk management systems were adequate and effective for FY2020. The bases for the Board's view are as follows: 1. assurance has been received from the Managing Director, Financial Controller and IA (please refer to section 9.2(b) of Table I); 2. an internal audit has been done by the IA, and significant matters highlighted to the AC and key management personnel were appropriately addressed; 3. key management personnel evaluate, monitors material risks and reports to the AC on a regular basis; and 4. discussions were held between the AC and auditors in the absence of management to review and address any potential concerns.
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Yes, the Board has obtained such assurance from the Managing Director and Financial Controller in respect of FY2020. The Board has also relied on the IA's report as set out in this Annual Report as assurance that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances. The Board has additionally relied on IA's report issued to the Company in respect of FY2020 as assurances that the Company's risk management and internal control systems to the matters reported upon are effective.
AUDIT COMMITTEE		
10.1 10.3	Role of the AC	All members of the AC are Non-Executive Directors, majority of whom (apart from our Non-Executive Non-Independent Director, Dr Loh Chang Kaan) are independent, and do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previously partners or directors of the Company's external audit firm within a period of two years commencing on the date of their ceasing to be a partner of the external audit firm and none of the AC members hold any financial interest in the external audit firm. The AC is guided by its key terms of reference, which includes, *inter alia*: (a) reviewing the significant financial reporting issues and judgements to ensure the integrity of the financial statements of the Company and any announcements relating to the Group's financial performance;

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Principle	**Code Description**	**Company's Compliance or Explanation**
		(b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls; (c) reviewing the assurance from the Managing Director and the Financial Controller on the financial records and financial statements; (d) making recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the EA, and the remuneration and terms of engagement of the EA; (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and internal audit function; (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on; and (g) reviewing interested persons transactions in accordance with the Catalist Rules. The AC has incorporated a whistle blowing policy into the Company's internal control procedures to provide a channel for staff and external parties to report in good faith and in confidence, without fear of reprisals, concerns about suspected fraud, corruption, dishonest practices or other similar matters. The objective of the policy is to ensure an independent investigation of such matters and for appropriate follow-up actions.
	Whistle Blowing Policy	The AC has in consultation with the Board, initiated the implementation of a fraud and whistle-blowing policy for all employees including employees of the Company's overseas subsidiaries to raise concerns about possible improprieties in matter of financial reporting or other matters. The policy seeks to encourage reporting in good faith of suspected improprieties (e.g. conduct that is dishonest, fraudulent, corrupt, illegal, other serious improper conduct, unsafe work practice or any other conduct which may cause financial or non-financial loss to the Company or damage to the Company's reputation). While the policy aims to provide an avenue for employees to raise concerns with the reassurance that they will be protected from reprisals or victimisation for whistle-blowing in good faith, a person who files a report or provides evidence which he knows to be false, or without a reasonable belief in the truth and accuracy of such information, will not be protected by the whistle-blowing policy and may be subject to administrative and/or disciplinary action. Similarly, a person may be subject to administrative and/or disciplinary action if he subjects (i) a person who has made or intends to make a report in accordance with the whistle-blowing policy, or (ii) a person who was called or may be called as a witness, to any form of reprisal which would not have occurred if he did not intend to, or had not made the report, or be a witness. The details of the whistle-blowing policy are made available to all employees.

CORPORATE GOVERNANCE STATEMENT

TABLE I – COMPLIANCE WITH THE CODE, CODE 2012 AND THE GUIDE		
Principle	**Code Description**	**Company's Compliance or Explanation**
		The Company's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle-blowing report to the following members of the AC via email: whistleblow@tritech.com.sg The key details on the Company's whistle-blowing policy are as follows: • the AC has authority to investigate any matter including whistle-blowing within its Terms of Reference; • all whistle-blower complaints will be reviewed by the AC to ensure independent and thorough investigation and adequate follow-up; • the Company has maintained a whistle-blowing register to record all the whistle-blowing incidents; • reports made anonymously will not be considered unless as directed by the AC. The AC will consider factors such as the severity of the matters raised to determine if the AC may accept such anonymous disclosures. If accepted by the AC, anonymity and confidentiality will be honoured throughout the process; and • all contents of the whistle-blowing register are reviewed by the AC during its meetings. To-date, there were no reports received through the whistle-blowing channel.
10.2	Qualification of the AC Members	The Board considers Mr Aw Eng Hai, who has extensive and practical accounting and financial management knowledge and experience, to be well qualified to chair the AC and other members of the AC, including Professor Yong Kwet Yew who has extensive experience as a director and a member of the audit committee in other listed companies, to have sufficient experience to be appropriately qualified to discharge their responsibilities in the AC.
10.4	Internal Audit Function	The Company does not have an in-house internal audit function. The Company's internal audit function is outsourced to RHT Governance Risk and Compliance (Singapore) Pte Ltd ("**RHTGRC**") that reports directly to the AC Chairman and administratively to the Managing Director. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation to whom the internal audit function of the Company is outsourced to. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The AC is satisfied and is of the opinion that RHTGRC is independent, effective, adequately qualified and resourced, and has the appropriate standing in the Company to discharge its duties effectively given, *inter alia*, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC.

CORPORATE GOVERNANCE STATEMENT

TABLE I – COMPLIANCE WITH THE CODE, CODE 2012 AND THE GUIDE		
Principle	**Code Description**	**Company's Compliance or Explanation**
10.5	Met Auditors in Management's Absence	The AC has met with the IA and EA separately without the presence of the management in FY2020.
SHAREHOLDER RIGHTS AND ENGAGEMENT		
SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS		
11.1	Shareholder's participation at General Meetings	Shareholders are entitled to attend the general meetings and are afforded the opportunity to participate effectively in and vote at general meetings. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures, that govern the general meetings of shareholders. The Company also appoints independent scrutineers to provide assurance of the conduct and integrity of the voting process and results in its general meetings in accordance with the Catalist Rules.
	Appointment of Proxies	The Company's Constitution allows a shareholder to appoint up to two proxies to attend and vote in the shareholder's place at the general meetings of shareholders. Under the multiple proxies regime under the Companies Act, investors who hold the Company's shares through relevant intermediaries, such as a nominee company or custodian bank or through a Central Provident Fund agent bank may attend and vote at general meetings.
11.2	Bundling of Resolutions	Resolutions requiring shareholders' approval are tabled separately for adoption at the Company's general meetings unless they are closely related and are more appropriately tabled together. Reasons and implications of why resolutions are bundled will be set out in the circulars sent out.
11.3	Directors' Attendance	The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings, unless of exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the EA's report.
11.4	Absentia Voting	The Company's Constitution allows for absentia voting (including but not limited to the voting by mail, electronic mail or facsimile.
11.5	Publication of Minutes	Save as provided below, all minutes of general meetings which include substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management will be made available to shareholders upon their request within 14 days of such request after the general meeting. In view of the foregoing, the Company currently does not have a policy of publishing the minutes of general meetings of shareholders on its corporate website and/or SGXNET, although the Company may consider publishing minutes of the general meeting of shareholders on its corporate website and/or SGXNET on a routine basis where considered appropriate in future.

CORPORATE GOVERNANCE STATEMENT

TABLE I – COMPLIANCE WITH THE CODE, CODE 2012 AND THE GUIDE		
Principle	**Code Description**	**Company's Compliance or Explanation**
		Minutes for the upcoming AGM to be convened on 28 September 2020 will be published within one month after the general meeting, in accordance with the requirements under the COVID-19 (Temporary measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
11.6	Dividend Policy (a) Does the Company have a dividend policy?	The Company does not have a fixed dividend policy at present. The declaration and payment of dividends by the Company from time to time is subject to various factors, inter alia, the Company's results of operations, cash flows and financial position, the Company's expansion requirements and working capital requirements, dividend payment by the Company's subsidiaries and the Company's future growth and prospects. Nonetheless, key management personnel will review, inter alia, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make the appropriate recommendations to the Board on dividend declarations, if applicable.
	(b) Is the Company paying dividends for the financial year? If not, please explain why.	The Board did not declare dividends to shareholders for FY2020 as the Group reported a net loss of $11.8 million for FY2020 and continues to operate under challenging conditions for its water-related and environmental business segment.
ENGAGEMENT WITH SHAREHOLDERS		
12.1 12.2 12.3 13.3	Communication with Shareholders (a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	The Company firmly believes in high standards of transparent corporate disclosure by disclosing to its stakeholders, including its shareholders, the relevant information on a timely basis through SGXNET. Communication is made through: 1. annual reports that are prepared and sent to all shareholders. The Board ensures that the annual report includes all relevant material information about the Company and the Group, including future developments and other disclosures required by the relevant rules and regulations; 2. half-yearly and full year announcements containing a summary of the financial information and affairs of the Group for that period; 3. notices of explanatory memoranda for the AGM and extraordinary general meetings ("**EGM**"). The notice of AGM and EGM are also advertised in a national newspaper; and 4. press and new releases on major developments of the Company and the Group. Shareholders are also able to reach out to the Company with their concerns and/or feedback via shareholder@tritech.com.sg.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	The Company currently does not have a formal investor relations policy nor a dedicated investor relations team, but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders.

CORPORATE GOVERNANCE **STATEMENT**

TABLE I – COMPLIANCE WITH THE CODE, CODE 2012 AND THE GUIDE		
Principle	**Code Description**	**Company's Compliance or Explanation**
		The Company will consider the appointment of a professional investor relations officer to manage the function should the need arise. Notwithstanding the foregoing, the Board endeavours to establish and maintain regular dialogue with shareholders or as and when circumstances require, so as to gather views or inputs and address shareholders' concern. The Board will also engage in investor relations activities to allow the Company to engage shareholders as and when it deems necessary and appropriate.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the Annual Report?	Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at www.tritech.com.sg All materials presented in general meetings are uploaded on the SGXNET. For enquires and all other matters, Shareholders and all other parties can contact the Company at shareholder@tritech.com.sg
MANAGING STAKEHOLDERS RELATIONSHIP		
ENGAGEMENT WITH STAKEHOLDERS		
13.1 13.2	Stakeholders Management	On an annual basis, the Company identifies and engages with its material stakeholders to promote the adoption of sustainable practices along its value chain. The Company assesses the material environmental, social and governance ("**ESG**") factors that affect the Group.

CORPORATE GOVERNANCE STATEMENT

<table>
<tr><th colspan="3">TABLE II – COMPLIANCE WITH CATALIST RULES</th></tr>
<tr><th>Principle</th><th>Code Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td>711A,
711B</td><td><u>Sustainability Reporting</u></td><td>The Company will be publishing its sustainability report for FY2020 by 28 October 2020 on SGXNET and the Company’s website which will highlight, inter alia, key ESG factors currently being considered by the Company.

The sustainability report for FY2020 will be prepared with reference to the Global Reporting Initiative – G4 Sustainability Reporting Guidelines issued by the Global Sustainability Standards Board as well as Practice Note 7F of the Sustainability Reporting Guide under the Catalist Rules.</td></tr>
<tr><td>720(5)</td><td><u>Information relating to Directors seeking re-election</u></td><td>Information relating to the Directors seeking re-election as per Appendix 7F of the Catalist Rules is set out in Table III of this report.</td></tr>
<tr><td>1204(6)(A)</td><td><u>Non-audit fees</u>
1. Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.</td><td><table>
<tr><th colspan="3">Table 1204(6)(A) – Fees Paid/Payable to the EA for FY2020</th></tr>
<tr><th></th><th>$</th><th>% of total</th></tr>
<tr><td>Audit Fees</td><td>153,000</td><td>79.2</td></tr>
<tr><td>Non-Audit Fees</td><td>40,100</td><td>20.8</td></tr>
<tr><td>Total</td><td>193,100</td><td>100.0</td></tr>
</table></td></tr>
<tr><td>1204(6)(B)</td><td><u>Confirmation by AC</u>
2. If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC’s view on the independence of the EA.</td><td>As the non-audit services rendered during FY2020 were not substantial, the AC is of the view that they will not affect the independence of the EA.</td></tr>
<tr><td>1204(6)(C)</td><td><u>Appointment of Auditors</u></td><td>The Company confirms its compliance to Rules 712 and 715 of the Catalist Rules.</td></tr>
<tr><td>1204(8)</td><td><u>Material Contracts</u></td><td>Save as for the Consultancy Agreements entered into between Dr Loh Chang Kaan and the Group further details of which are set out in Section 8.1 of Table I and amounts due to shareholder as detailed in Note 23 page 136 of the financial statements, there were no material contracts entered into by the Group involving the interest of any director or controlling shareholder, which are either still subsisting at the end of FY2020 or if not then subsisting, entered into since the end of the previous financial year.</td></tr>
<tr><td>1204(10)</td><td><u>Adequacy of Internal Controls</u></td><td>Please refer to the confirmation provided by the Board in Section 9.2 of Table I.</td></tr>
<tr><td>1204(10B)</td><td><u>Adequacy of Internal Audit Function</u></td><td>Please refer to the confirmation provided in Section 10.4 of Table I.</td></tr>
<tr><td>1204(17)</td><td><u>Interested Persons Transactions (“IPT”)</u></td><td>The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interest of the Company and its minority shareholders.</td></tr>
</table>

CORPORATE GOVERNANCE **STATEMENT**

<table>
<tr><th colspan="3">TABLE II – COMPLIANCE WITH CATALIST RULES</th></tr>
<tr><th>Principle</th><th>Code Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>The details of interested person transactions that are $100,000 or more for FY2020 are set out below.
<table>
<tr><th>Name of Interested Person</th><th>Nature of Relationship</th><th>Aggregate value of interested person transactions during financial year ending 31 March 2020 (excluding transactions less than $100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920) $’000</th><th>Aggregate value of all interested person transactions during financial period ending 31 March 2020 which are conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than $100,000) $’000</th></tr>
<tr><td>Consultancy fees paid to Dr Loh Chang Kaan</td><td>Non-Independent Non-Executive Director</td><td>402
35</td><td>–
–</td></tr>
<tr><td colspan="2">Total</td><td>437</td><td>–</td></tr>
</table>
The total value computed above is the total value of the agreed fixed remuneration under the Consultancy Agreements for FY2020 and bonus payments made by Tritech Consultants. Please refer to Section 8.1 (a) and (b) for details in relation to the Consultancy Agreements.</td></tr>
<tr><td>1204(19)</td><td><u>Dealing in Securities</u></td><td>The Company has adopted an internal policy which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information.

The Company, its Directors and officers are also discouraged from dealing in the Company’s shares on short term considerations and are prohibited from dealing in the Company’s securities during the period commencing one month before the announcement of the Group’s half-year and full-year financial results respectively, and ending on the date of the announcement of the relevant results.

The Company, its Directors and officers are also expected to observe insider trading laws at all times even when dealing with Company’s securities within the permitted trading period.</td></tr>
<tr><td>1204(21)</td><td><u>Non-Sponsor Fees</u></td><td>No non-sponsor fees were paid/payable to the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2020.</td></tr>
</table>

CORPORATE GOVERNANCE STATEMENT

<table>
<tr><th colspan="3">TABLE II – COMPLIANCE WITH CATALIST RULES</th></tr>
<tr><th>Principle</th><th>Code Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td>1204(22)</td><td>Use of IPO Proceeds and any proceeds arising from any offerings pursuant to Chapter 8 of the Catalist Rules</td><td>The following relates to the net proceeds of approximately $964,000 raised from the placement of 34,482,756 shares as announced on 7 July 2019.
<table>
<tr><th>Purpose</th><th>Net proceeds utilised as at the date of Annual Report ($’000)</th><th>Balance un-utilised ($’000)</th></tr>
<tr><td>Working Capital for water and environmental business of the Group</td><td></td><td></td></tr>
<tr><td>– Wages and staff related cost</td><td>115</td><td>–</td></tr>
<tr><td>– Purchase of raw materials and payment of suppliers</td><td>849</td><td>–</td></tr>
<tr><td>Total</td><td>964</td><td>–</td></tr>
</table>
Save for the foregoing, the Company does not have any outstanding proceeds raised from IPO or any offerings pursuant to Chapter 8 of the Catalist Rules.</td></tr>
</table>

Please refer to the table below for additional information on Directors to be re-elected at the forthcoming AGM:

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Name of Director to be Re-Elected	
	Dr Wang Xiaoning	**Mr Aw Eng Hai**
Designation	Managing Director	Independent Director
Date of Appointment	13 May 2008	4 September 2009
Date of Last Re-Appointment	26 July 2017	30 July 2018
Age	58	52
Country of Principal Residence	Singapore	Singapore
Academic qualifications	1. PHD from the Chinese Academy of Science 2. Doctorate Degree in Philosophy from the National University of Singapore	National University of Singapore – Bachelor of Business Administration (Honours)
Job Title (eg. Lead ID, AC Chairman, AC Member etc.)	Managing Director and member of the Nominating Committee	Chairman of the Audit Committee, member of the Nominating and Remuneration Committees, and Independent Director of the Board

CORPORATE GOVERNANCE STATEMENT

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Name of Director to be Re-Elected	
	Dr Wang Xiaoning	**Mr Aw Eng Hai**
Professional memberships/ Qualifications	Registered professional engineer in Singapore.	Practising member of the Institute of Singapore Chartered Accountants, Fellow of the Association of Chartered Certified Accountants, Fellow of Insolvency Practitioners Association of Singapore and member of INSOL International.
Current directorships		
Public companies	Tritech Group Limited – Managing Director	Tritech Group Limited – Independent Director
Private companies	None	1. Foo Kon Tan LLP – Partner 2. Foo Kon Tan Advisory Services Pte. Ltd. – Director
Past directorships (in the last 5 years)		
Public companies	Capital World Limited (formerly known as Terratech Group Limited) – Director (from 15 March 2013 to 4 May 2017)	Capital World Limited (formerly known as Terratech Group Limited) – Independent Director (from 18 June 2014 to 3 August 2020)
Private companies	1. Tritech Instruments Pte. Ltd. – Director (from 4 April 2002 to 23 August 2020). 2. Tritech Environmental Group Co., Ltd. (formerly known as Tritech (Qingdao) Membrane Industry Co. Ltd.) – Director (from 18 January 2010 to 25 July 2020)	Nil
	3. Anhui Clean Environment Biotechnology Co. Ltd. – Director (from 30 July 2013 to 25 July 2020) 4. Beijing Wisetec Technologies Co. Ltd. – Director (from 2 July 2015 to 25 July 2020) 5. Presscrete Engineering Pte. Ltd. – Director (from 23 February 2006 to 18 May 2019) 6. CEP Resources Entity Sdn. Bhd. – Director (from 31 October 2007 to 2 June 2017) 7. Terratech Resources Pte. Ltd. – Director (from 5 June 2007 to 31 May 2017)	

[1] Include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

CORPORATE GOVERNANCE STATEMENT

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Name of Director to be Re-Elected	
	Dr Wang Xiaoning	**Mr Aw Eng Hai**
Principal commitments[1]	Tritech Group Limited	1. Tritech Group Limited 2. Foo Kon Tan LLP 3. Foo Kon Tan Advisory Services Pte. Ltd.
Shareholding interest in the Company and its subsidiaries	120,673,628 Ordinary Shares in the Company	1,765,000 Ordinary Shares in the Company
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered Dr Wang Xiaoning's performance as a Managing Director of the Company.	The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered Mr Aw Eng Hai performance as an Independent Director of the Company.
Whether the appointment has changed from non-executive to executive. If so, please state the area of responsibility	Managing Director	Independent Director
Working experience and occupation(s) during the past 10 years	1. Tritech Consultants Pte. Ltd. – Director 2. Tritech Engineering & Testing (Singapore) Pte. Ltd – Director 3. Geosoft Pte. Ltd. – Director 4. Tritech SysEng (S) Pte. Ltd – Director 5. TGL Engineering Group Pte. Ltd. – Director 6. Terra Tritech Engineering (M) Sdn. Bhd. – Director 7. Tritech Water Technologies Pte. Ltd. – Director 8. Tritech Geotechnic Pte Ltd – Director 9. Tritech Instruments Pte Ltd – Director 10. Tritech Environmental Group Co., Ltd. (formerly known as Tritech (Qingdao) Membrane Industry Co. Ltd.) – Director 11. Anhui Clean Environment Biotechnology Co. Ltd – Director 12. Beijing Wisetec Technologies Co. Ltd – Director 13. Presscrete Engineering Pte Ltd – Director 14. CEP Resources Entity Sdn. Bhd. – Director 15. Terratech Resources Pte Ltd – Director 16. Tritech Group Limited – Managing Director	1. Foo Kon Tan LLP – Partner 2. Capital World Limited (formerly known as Terratech Group Limited – Independent Director 3. Tritech Group Limited – Independent Director 4. Foo Kon Tan Advisory Services Pte. Ltd. – Director 5. Foo Kon Tan Transaction Services Pte. Ltd. – Director

CORPORATE GOVERNANCE **STATEMENT**

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Name of Director to be Re-Elected	
	Dr Wang Xiaoning	**Mr Aw Eng Hai**
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under rules 720(1) has been submitted to the listed issuer?	Yes	Yes
The general statutory disclosures of the Directors are as follows:		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No

CORPORATE GOVERNANCE STATEMENT

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Name of Director to be Re-Elected	
	Dr Wang Xiaoning	Mr Aw Eng Hai
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

CORPORATE GOVERNANCE **STATEMENT**

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Name of Director to be Re-Elected	
	Dr Wang Xiaoning	**Mr Aw Eng Hai**
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

CORPORATE GOVERNANCE **STATEMENT**

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Name of Director to be Re-Elected	
	Dr Wang Xiaoning	**Mr Aw Eng Hai**
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Prior Experience as a Director of a Listed Company on the Exchange		
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This relates to the re-election of a director.	Not applicable. This relates to the re-election of a director.
Attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange?	N.A	N.A

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Tritech Group Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2020.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are:

Professor Yong Kwet Yew
Dr Wang Xiaoning
Dr Loh Chang Kaan
Aw Eng Hai

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement, whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Tritech Group Limited				
Ordinary shares				
Professor Yong Kwet Yew	1,300,000	1,300,000	–	–
Dr Wang Xiaoning	120,673,628	120,673,628	–	–
Dr Cai Jungang[(1)]	62,301,805	62,301,805	100,000	100,000
Aw Eng Hai	1,765,000	1,765,000	–	–
Dr Loh Chang Kaan	41,704,114	33,204,114	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2020.

(1) Pursuant to Section 7 of the Singapore Companies Act, Dr Cai Jungang is deemed to have an interest in the performance share awards and shares of the Company held by his spouse, Ms Bi Xiling, at the beginning and end of the financial year respectively. Dr. Cai Jungang has resigned on 23 July 2020.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

PERFORMANCE SHARE AWARDS

The Company implemented an employee share award scheme known as the Tritech Group Performance Share Plan ("Share Plan") for the purpose of providing incentives and rewards to eligible employees and directors of the Group. The Share Plan was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 28 July 2010. The Company's equity instruments granted to the employees and directors are subject to approval in advance by the board of directors of the Company.

DIRECTORS' STATEMENT

PERFORMANCE SHARE AWARDS (CONTINUED)

The Share Plan is administered by the Company's Remuneration Committee comprising Professor Yong Kwet Yew, Dr Loh Chang Kaan and Mr Aw Eng Hai and applies to group employees, group executive directors and group non-executive directors (including independent directors).

The share awards are subject to certain vesting conditions and are convertible into the ordinary shares of the Company when vested.

20,000,000 of the above share awards have vested on 31 March 2020 and the shares for the vested awards were subsequently issued on 16 June 2020.

Details of movements in the share awards granted to the directors and employees of the Group and Company during the financial year are as follows:

	Number of share awards				
Name of participants	**Balance at 1.4.2019**	**Share awards granted during the financial year**	**Share awards cancelled during the financial year**	**Share awards vested during the financial year**	**Balance at 31.3.2020**
Employees of the Group					
Dr. Tan Chien Hsiang	15,000,000	–	–	(7,500,000)	**7,500,000**
Dr. Fu Chen	10,000,000	–	–	(5,000,000)	**5,000,000**
Kuan Keng Mun	5,000,000	–	–	(2,500,000)	**2,500,000**
Poh Ye Kong	5,000,000	–	–	(2,500,000)	**2,500,000**
Gong Zhao	5,000,000	–	–	(2,500,000)	**2,500,000**
	40,000,000	–	–	(20,000,000)	**20,000,000**

Since the commencement of the Share Plan till the end of the financial year:

- No awards that entitle the holder to participate by virtue of the awards, in any share issue of any other corporation have been granted; and
- No awards had been granted at a discount.

EMPLOYEE SHARE OPTION SCHEME

Share Option Scheme (the "Scheme")

The Scheme is administered by the Company's Remuneration Committee, comprising Professor Yong Kwet Yew, Mr Aw Eng Hai and Dr Loh Chang Kaan ("Committee").

There were no options granted by the Company under the Scheme during the financial year. There are no outstanding options under the Scheme as at the end of the financial year.

DIRECTORS' STATEMENT

SHARE OPTIONS

During the financial year:

(i) No options have been granted by the Company to any person to take up unissued shares in the Company; and

(ii) No shares have been issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under share option.

AUDIT COMMITTEE

The Audit Committee ("AC") comprises the following who are all non-executive and independent directors. The members of the AC during the financial year and at the date of this report are:

Aw Eng Hai (Chairman)
Professor Yong Kwet Yew
Dr Loh Chang Kaan

The AC performed the functions in accordance with section 201B(5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviews the audit plans of the internal and external auditors of the Group and the Company and reviews the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;

- Reviews the half-yearly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;

- Reviews the adequacy and effectiveness of the Group's and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;

- Meets with the external auditor, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

- Reviews the cost effectiveness and the independence and objectivity of the external auditor;

- Reviews the nature and extent of non-audit services provided by the external auditor;

- Recommends to the board of directors the external auditor to be nominated, approves the compensation of the external auditor, and reviewing the scope and results of the audit;

- Reports actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and

- Reviews interested person transactions in accordance with the requirements of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited ("SGX-ST").

DIRECTORS' **STATEMENT**

AUDIT COMMITTEE (CONTINUED)

The AC convened three meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Dr Wang Xiaoning
Director

Dr Loh Chang Kaan
Director

Singapore
4 September 2020

INDEPENDENT AUDITOR’S REPORT

To the members of Tritech Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Tritech Group Limited (the “Company”) and its subsidiaries (collectively, the “Group”), which comprise the balance sheets of the Group and the Company as at 31 March 2020, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (“the Act”) and Singapore Financial Reporting Standards (International) in Singapore (“SFRS(I)”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S **REPORT**

To the members of Tritech Group Limited

Key Audit Matters (Continued)

Accounting for revenue recognition and contract assets for geotechnical projects

The Group recognised revenue over time for its geotechnical projects in Singapore using the input method that reflects the over-time transfer of control to its customers. This is measured by reference to the Group's progress towards completing the performance obligation in the contract, which is generally based on actual costs incurred to-date to the total budgeted costs for each project. If the unavoidable costs of meeting the obligations under a contract exceeds the economic benefits expected to be received for the contract, a provision for onerous contract is recognised. The uncertainty and subjectivity involved in determining the budgeted cost, progress towards completion and the assessment of any variation orders ("VO") claimable from end customers may have a significant impact on the revenue recognition and contract assets amounts, including the provision for onerous contracts. These uncertainties are partly due to the nature of the operations, which may be impacted by the geotechnical complexity of projects, the precision of cost estimation during the budgeting process and the actual progress of each project during the financial year. There has also been an increase in the level of estimation uncertainty in determining the revenue recognition as at 31 March 2020 arising from the changes in market and economic conditions brought on by the COVID-19 pandemic. As such, we determined this to be a key audit matter.

As part of our audit, we:

- assessed management's assumptions in determining the estimations to revenue and cost by reviewing the contract terms and conditions of the geotechnical projects and their contractual sums ("projects"), testing project revenues and costs incurred against underlying documents and assessing management's judgement in recognising variation orders from customers;

- reviewed the Group's project correspondences with customers and subcontractors, and discussed the progress of the projects with project managers to identify any potential disputes, variation order claims, known technical issues or significant events that could impact the estimated total contract costs. We also analysed changes in the estimation of costs and profits from prior periods and inquired management on the reasons;

- assessed management's determination of the satisfaction of performance obligation of the projects and performed re-computation to check the mathematical accuracy;

- reviewed the budgeted costs by checking the actual costs incurred to-date to supporting documents and assessed the reasonableness of the remaining costs to be incurred to complete the projects. We evaluated management's estimates of the forecasted results of the projects, taking into consideration the effect of variation orders, contingencies and any known technical issues, including management's consideration of the potential impact that COVID-19 pandemic has on the Group's operations. For a sample of ongoing projects, we evaluated management's assessment of onerous contracts for the projects.

The Group's disclosures relating to contract assets/liabilities are included in Note 4 to the financial statements.

Key Audit Matters (Continued)

Impairment of investment in subsidiaries and amounts due from subsidiaries

The carrying amount of the Company's investment in subsidiaries and amounts due from subsidiaries amounted to $20,379,000, and $14,205,000 respectively as at 31 March 2020 which represented a total of 66% of the Company's total assets. During the financial year ended 31 March 2020, management performed impairment assessment on the Company's investment in subsidiaries and amounts due from subsidiaries, and the Company recognised an impairment loss of $16,143,000 for investment in subsidiaries.

The impairment assessment of investment in subsidiaries involved significant management judgement and was based on assumptions that incorporate future market and economic conditions.

On the amounts due from subsidiaries, management has assessed if these amounts are recoverable and estimated the amount of loss allowance required when recovery of the full amount is doubtful. The assessment of the expected loss allowance requires significant management judgment as these are determined by making entity-specific assessments of expected impairment loss for long overdue receivables and by applying the general approach as detailed in Note 2.16 to provide for loss allowance. Consequently, we determined the impairment assessment of investment in subsidiaries and amounts due from subsidiaries to be a key audit matter.

On the investment in subsidiaries, we discussed with management on the identification of impairment indicators. Where indicators exist, we evaluated management's impairment assessment, including its estimates of the recoverable amounts. We reviewed the process by which they were drawn up and tested the reasonableness of the underlying value-in-use calculations by:

- comparing management's previous forecasts with actual results;
- comparing the key assumptions used, such as growth rates to historical results, economic and industry forecasts, and discount rate to that of peer companies used; and
- assessed sensitivity analysis around the key drivers of the growth rates used in the cash flow forecasts, including revenue growth and expected changes in margins including management's consideration of the potential impact COVID-19 pandemic has on the operations of the subsidiaries, and the likelihood of the extent of change in those assumptions that either individually or collectively would be required for the assets to be impaired.

In relation to management's assessment on the loss allowance on amounts due from subsidiaries, as part of our audit, we:

- obtained an understanding of the Company's processes and controls for identifying and monitoring of the amount due from subsidiaries;
- assessed the facts and circumstances surrounding the outstanding receivables, and reviewing for evidence of collection by way of receipts from subsidiaries after the year end;
- Evaluated the reasonableness of management's estimate of the future repayment by the subsidiaries, by taking into consideration the subsidiaries' financial position, nature of business, current economic environment and growth strategies as well as management's assessment of the subsidiaries' business plan; and
- assessed the reasonableness of the loss rates applied by management, taking into consideration the latest available financial results of the subsidiaries and current economic information in markets where the subsidiaries operate.

Furthermore, we assessed the adequacy of the disclosures relating to investments in subsidiaries, receivables and the related risks such as credit risk and liquidity risk in Notes 12, 16 and 33 to the financial statements.

INDEPENDENT AUDITOR'S **REPORT**

To the members of Tritech Group Limited

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT

To the members of Tritech Group Limited

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

To the members of Tritech Group Limited

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ken Ong.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

4 September 2020

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2020

	Note	Group 2020 $	Group 2019(1) $ Re-presented
Continuing operations			
Revenue	4	**10,643,544**	28,066,836
Cost of sales		**(20,453,921)**	(23,478,444)
Gross (loss)/profit		**(9,810,377)**	4,588,392
Other income	5	**990,096**	347,159
Distribution costs		**(431,960)**	(474,788)
Administrative costs		**(4,277,395)**	(3,615,205)
Other operating costs		**(5,651,661)**	(4,289,607)
Finance costs	6	**(1,847,331)**	(2,112,617)
Impairment losses on financial assets	7	**(654,105)**	(25,209)
Share of results of associate	13	**(290,053)**	–
Loss before taxation	7	**(21,972,786)**	(5,581,875)
Income tax credit	8	**252,800**	181,899
Loss from continuing operations, net of income tax		**(21,719,986)**	(5,399,976)
Discontinued operation			
Gain on disposal of subsidiaries	20	**10,843,520**	–
Loss from discontinued operations, net of income tax	20	**(943,867)**	(21,927,225)
Loss for the year		**(11,820,333)**	(27,327,201)
Loss attributable to:			
Owners of the Company			
Loss from continuing operations		**(21,673,764)**	(5,257,277)
Profit/(loss) from discontinued operations		**9,899,653**	(21,927,225)
Loss for the year attributable to owners of the Company		**(11,774,111)**	(27,184,502)
Non-controlling interests			
Loss from continuing operations		**(46,222)**	(142,699)
Loss for the year attributable to non-controlling interests		**(46,222)**	(142,699)
Loss for the year		**(11,820,333)**	(27,327,201)
Loss per share from continuing operations attributable to owners of the Company (cents)			
Basic	9	**(2.32)**	(0.58)
Diluted	9	**(2.32)**	(0.58)

(1) The comparative figures have been re-presented to report separately profit and loss items for continuing or discontinued operation.

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the financial year ended 31 March 2020

	Group	
	2020	**2019**[(1)]
	$	**$**
		Re-presented
Loss for the year	**(11,820,333)**	(27,327,201)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising from translation of foreign operations	**(100)**	(233,946)
Exchange differences realised on disposal of investment in subsidiaries reclassified to profit or loss	**(109,699)**	–
Exchange differences from translation of associate	**108,120**	–
Other comprehensive income for the year, net of tax	**(1,679)**	(233,946)
Total comprehensive income for the year	**(11,822,012)**	(27,561,147)
Total comprehensive income attributable to:		
Owners of the Company	**(11,775,790)**	(27,418,448)
Non-controlling interests	**(46,222)**	(142,699)
Total comprehensive income for the year	**(11,822,012)**	(27,561,147)
Total comprehensive income attributable to:		
Owners of the Company from continuing operations, net of tax	**(21,565,744)**	(5,283,512)
Owners of the Company from discontinued operation, net of tax	**9,789,954**	(22,134,936)
Total comprehensive income for the year attributable to owners of the Company	**(11,775,790)**	(27,418,448)

(1) The comparative figures have been re-presented to report separately profit and loss items for continuing or discontinued operation.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

BALANCE SHEETS

As at 31 March 2020

		Group		Company	
	Note	2020 $	2019 $	2020 $	2019 $
Non-current assets					
Property, plant and equipment	10	**3,475,970**	35,344,234	**497**	1,527,164
Investment property	11	**1,489,218**	–	**1,489,218**	–
Investments in subsidiaries	12	**–**	–	**20,379,001**	70,297,815
Investment in associate	13	**5,347,027**	624,567	**5,528,960**	–
Right of-use-asset	24	**1,599,515**	–	**–**	–
Land use rights	14	**–**	2,412,143	**–**	–
Intangible assets	15	**2,695,954**	1,302,023	**–**	–
Other receivables	16	**10,377,821**	–	**10,377,821**	–
		24,985,505	39,682,967	**37,775,497**	71,824,979
Current assets					
Inventories	17	**28,600**	263,482	**–**	–
Trade and other receivables	16	**5,933,319**	12,958,105	**14,548,097**	27,719,450
Contract assets	4	**7,427,079**	32,232,128	**–**	–
Tax recoverable		**5,340**	5,602	**–**	–
Prepayments		**451,028**	1,353,719	**25,521**	151,742
Investment securities	18	**125,700**	930,184	**125,700**	930,184
Cash and short-term deposits	19	**2,881,878**	5,616,349	**14,734**	110,742
		16,852,944	53,359,569	**14,714,052**	28,912,118
Assets of disposal group classified as held for sale	20	**–**	14,825,801	**–**	–
		16,852,944	68,185,370	**14,714,052**	28,912,118
Current liabilities					
Trade and other payables	21	**9,528,065**	27,387,611	**11,912,597**	7,042,156
Contract liabilities	4	**1,693,246**	1,655,837	**–**	–
Bank borrowings	22	**1,981,222**	21,538,895	**1,518,058**	1,508,949
Loans from shareholders	23	**3,845,431**	8,505,273	**3,727,658**	8,387,500
Lease liabilities	24	**854,280**	239,805	**–**	–
Liability component of convertible loans	25	**–**	3,900,000	**–**	3,900,000
Provision for taxation		**132,413**	459,897	**138,287**	170,517
		18,034,657	63,687,318	**17,296,600**	21,009,122
Liabilities directly associated with disposal group classified as held for sale	20	**–**	13,980,513	**–**	–
		18,034,657	77,667,831	**17,296,600**	21,009,122
Net current (liabilities)/assets		**(1,181,713)**	(9,482,461)	**(2,582,548)**	7,902,996
Non-current liabilities					
Bank borrowings	22	**268,447**	291,337	**268,447**	291,337
Loans from shareholders	23	**5,550,600**	1,000,000	**5,550,600**	1,000,000
Lease liabilities	24	**1,265,116**	70,184	**–**	–
Deferred tax liabilities	26	**246,127**	1,949,309	**170,959**	353,339
		7,330,290	3,310,830	**5,990,006**	1,644,676
Net assets		**16,473,502**	26,889,676	**29,202,943**	78,083,299
Equity attributable to owners of the Company					
Share capital	27	**78,617,764**	77,653,368	**78,617,764**	77,653,368
Reserves	28	**(62,299,542)**	(50,965,194)	**(49,414,821)**	429,931
		16,318,222	26,688,174	**29,202,943**	78,083,299
Non-controlling interests		**155,280**	201,502	**–**	–
Total equity		**16,473,502**	26,889,676	**29,202,943**	78,083,299

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2020

2020 Group	Share capital (Note 27) $	Equity component of convertible loans (Note 25) $	Gains on disposals to non-controlling interests (Note 28) $	Employee share award reserve (Note 28) $	Foreign currency translation reserve (Note 28) $	Accumulated losses (Note 28) $	Equity attributable to the owners of the Company $	Non-controlling interests $	Total equity $
	Attributable to owners of the Company								
Opening balance at 1 April 2019	77,653,368	2,772,300	34,944,540	–	84,678	(88,766,712)	26,688,174	201,502	26,889,676
Cumulative effect of adopting SFRS(I) 16 (Note 2.2)	–	–	–	–	–	(430,139)	(430,139)	–	(430,139)
Opening balance at 1 April 2019 (Restated)	77,653,368	2,772,300	34,944,540	–	84,678	(89,196,851)	26,258,035	201,502	26,459,537
Loss for the year	–	–	–	–	–	(11,774,111)	(11,774,111)	(46,222)	(11,820,333)
Other comprehensive income									
Exchange differences arising from translation of foreign operations	–	–	–	–	(100)	–	(100)	–	(100)
Exchange differences realised on disposal of investment in subsidiaries reclassified to profit or loss	–	–	–	–	(109,699)	–	(109,699)	–	(109,699)
Exchange differences from translation of associate	–	–	–	–	108,120	–	108,120	–	108,120
Total comprehensive income for the year	–	–	–	–	(1,679)	(11,774,111)	(11,775,790)	(46,222)	(11,822,012)
Contributions by and distributions to owners									
Issuance of ordinary shares pursuant to new shares placement	1,000,000	–	–	–	–	–	1,000,000	–	1,000,000
Issuance of shares to the introducer	70,000	–	–	–	–	–	70,000	–	70,000
Share issue expenses	(105,604)	–	–	–	–	–	(105,604)	–	(105,604)
Grant of equity-settled share awards to employees	–	–	–	871,581[(1)]	–	–	871,581	–	871,581
Total contributions by and distributions to owners	964,396	–	–	871,581	–	–	1,835,977	–	1,835,977
Closing balance at 31 March 2020	78,617,764	2,772,300	34,944,540	871,581	82,999	(100,970,962)	16,318,222	155,280	16,473,502

(1) As at 31 March 2020, 20,000,000 shares have vested in accordance to the vesting condition and the allotment of shares was completed in June 2020.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2020

2019 Group	Share capital (Note 27) $	Equity component of convertible loans (Note 25) $	Gains on disposals to non-controlling interests (Note 28) $	Foreign currency translation reserve (Note 28) $	Accumulated losses (Note 28) $	Equity attributable to the owners of the Company $	Non-controlling interests $	Total equity $
	Attributable to owners of the Company							
Opening balance at 1 April 2018	77,653,368	2,772,300	34,951,514	318,624	(61,582,210)	54,113,596	378,436	54,492,032
Loss for the year	–	–	–	–	(27,184,502)	(27,184,502)	(142,699)	(27,327,201)
Other comprehensive income								
Exchange differences arising from translation of foreign operations	–	–	–	(233,946)	–	(233,946)	–	(233,946)
Total comprehensive income for the year	–	–	–	(233,946)	(27,184,502)	(27,418,448)	(142,699)	(27,561,147)
Changes in ownership interests in subsidiary								
Acquisition of non-controlling interests without a change in control	–	–	(6,974)	–	–	(6,974)	(34,235)	(41,209)
Total changes in ownership interests in subsidiary	–	–	(6,974)	–	–	(6,974)	(34,235)	(41,209)
Closing balance at 31 March 2019	77,653,368	2,772,300	34,944,540	84,678	(88,766,712)	26,688,174	201,502	26,889,676

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

For the financial year ended 31 March 2020

2020 Company	**Share capital (Note 27) $**	**Equity component of convertible loans (Note 25) $**	**Employee share award reserve (Note 28) $**	**Accumulated losses (Note 28) $**	**Total equity $**
Opening balance at 1 April 2019	77,653,368	2,772,300	–	(2,342,369)	78,083,299
Loss, representing total comprehensive income, for the year	–	–	–	(50,716,333)	(50,716,333)
Contributions by and distributions to owners					
Issuance of ordinary shares pursuant to new shares placement	1,000,000	–	–	–	1,000,000
Issuance of shares to the introducer	70,000	–	–	–	70,000
Share issue expenses	(105,604)	–	–	–	(105,604)
Grant of equity-settled share awards to employees	–	–	871,581(1)	–	871,581
Total contributions by and distributions to owners	964,396	–	871,581	–	1,835,977
Closing balance at 31 March 2020	78,617,764	2,772,300	871,581	(53,058,702)	29,202,943

2019 Company	**Share capital (Note 27) $**	**Equity component of convertible loans (Note 25) $**	**Accumulated profits/(losses) (Note 28) $**	**Total equity $**
Opening balance at 1 April 2018	77,653,368	2,772,300	2,733,660	83,159,328
Loss, representing total comprehensive income, for the year	–	–	(5,076,029)	(5,076,029)
Closing balance at 31 March 2019	77,653,368	2,772,300	(2,342,369)	78,083,299

(1) As at 31 March 2020, 20,000,000 shares have vested in accordance to the vesting condition and the allotment of shares was completed in June 2020.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2020

	Note	2020 $	2019[1] $ Re-presented
Cash flows from operating activities			
Loss before tax from continuing operations		**(21,972,786)**	(5,581,875)
Profit/(loss) before tax from discontinued operation		**9,899,653**	(21,963,293)
Loss before taxation, total		**(12,073,133)**	(27,545,168)
Adjustments for:			
Amortisation of intangible assets	15	**243,608**	167,886
Amortisation of land use rights	14	**18,545**	56,472
Write down of inventories	7	**7,157**	9,268
Unrealised foreign exchange (gain)/loss		**(283,405)**	53,400
Impairment loss on property, plant and equipment	10	**69,643**	7,578,162
Impairment loss on financial assets	7	**654,105**	664,923
Depreciation of property, plant and equipment	7	**2,056,784**	4,291,748
Depreciation of investment property	11	**15,504**	–
Depreciation of right-of-use asset	24	**685,507**	–
Fair value loss on investment securities	7	**804,484**	879,903
Net gain on disposal of plant and equipment		**(25,169)**	(56,522)
Gain on disposal of investment in subsidiaries	20	**(10,843,520)**	–
Interest income		**(361,196)**	(13,272)
Interest expense – convertible loan	6	**374,849**	1,053,986
Interest expense		**2,045,470**	2,744,388
Provision for onerous contracts		**219,280**	1,220,234
Write-off of plant and equipment	7	**1,870**	17,515
Reversal of inventories written down		**–**	(234,689)
Inventories written off	7	**3,568**	–
Grant of equity-settled share awards to employees		**871,581**	–
Share of results of associate		**290,053**	33
Operating cash flows before working capital changes		**(15,224,415)**	(9,111,733)
(Increase)/decrease in:			
Inventories		**(88,460)**	1,568,769
Trade and other receivables		**(14,631,834)**	(7,093,896)
Contract assets		**23,271,938**	9,321,218
Prepayments		**78,153**	927,586
(Decrease)/increase in:			
Trade and other payables		**9,685,807**	2,224,548
Contract liabilities		**(447,875)**	(2,336,339)
Cash generated from/(used in) operations		**2,643,314**	(4,499,847)
Income taxes paid		**(3,694)**	(13,781)
Income taxes refunded		**2,817**	–
Interest received		**7,173**	13,272
Net cash generated from/(used in) operating activities		**2,649,610**	(4,500,356)

(1) The comparative figures have been re-presented to report separately profit and loss items for continuing or discontinued operation.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED **CASH FLOW STATEMENT**

For the financial year ended 31 March 2020

	Note	2020 $	2019[1] $ Re-presented
Cash flows from investing activities			
Loss of control in subsidiaries (net of cash disposed of)	20	**3,632,257**	–
Purchase of plant and equipment	10	**(326,344)**	(1,979,179)
Additions to intangible assets	15	**(1,638,973)**	–
Proceeds from disposal of plant and equipment		**36,729**	275,674
Net cash generated from/(used in) investing activities		**1,703,669**	(1,703,505)
Cash flows from financing activities			
(Increase)/decrease in short-term deposits pledged		**(219,356)**	2,208,485
Proceeds from bank borrowings	22	**6,252,800**	22,261,650
Loans from shareholders		**2,007,000**	7,029,518
Repayments of bank borrowings	22	**(11,316,898)**	(19,835,118)
Repayments of lease liabilities		**(1,054,681)**	(1,566,526)
Repayments of convertible loan interests		**(240,000)**	(480,000)
Repayments of shareholders' loans		**(3,407,000)**	–
Net proceeds from issuance of placement shares	27	**964,396**	–
Interest paid		**(1,898,520)**	(2,427,132)
Net cash (used in)/generated from financing activities		**(8,912,259)**	7,190,877
Net change in cash and cash equivalents		**(4,558,980)**	987,016
Cash and cash equivalents at beginning of financial year		**4,861,201**	3,510,721
Currency translation differences		**163,225**	363,464
Cash and cash equivalents at end of financial year (Note 19)		**465,446**	4,861,201

(1) The comparative figures have been re-presented to report separately profit and loss items for continuing or discontinued operation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

1. CORPORATE INFORMATION

Tritech Group Limited (the "Company") is a limited liability company, which is incorporated and domiciled in Singapore and is listed on the Catalist board of the SGX-ST.

The registered office and principal place of business of the Company is located at 31 Changi South Avenue 2, Singapore 486478.

The principal activity of the Company is that of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("SGD" or "$") except when otherwise indicated.

Fundamental accounting concept

At 31 March 2020, the Group's current liabilities exceeded its current assets by $1,181,713 (2019: $9,482,461). As at 31 March 2020, the Group's total loans and borrowings amounted to $11,645,700 (2019: $31,335,505), of which $5,826,653 (2019: $30,044,168) were classified as current liabilities and exceeded its cash and cash equivalents of $2,881,878 (2019: $5,616,349). These factors and the challenging conditions affecting the construction and engineering industry in Singapore, which could negatively impact the profitability of projects indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Notwithstanding the above, the directors are of the view that it is appropriate to prepare these financial statements on a going concern basis after considering the following:

(a) The Group has sufficient bank facilities to fund their daily operation. In addition, the Group has secured and drawn down on a $4,000,000 new loan facility in April 2020.

(b) The directors have reasons to believe that the Group will be able to complete the project as scheduled and achieve the projected positive margin and net cash inflow.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2019. Except for the adoption of SFRS(I) 16 Leases described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group.

SFRS(I) 16 Leases

SFRS(I) 16 supersedes SFRS(I)1-17 Leases, SFRS(I) INT 4 Determining whether an Arrangement contains a Lease, SFRS(I) INT 1-15 Operating Leases-Incentives and SFRS(I) INT 1-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

The Group adopted SFRS(I) 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying SFRS(I) 1-17 and SFRS(I) INT 4 at the date of initial application.

The effect of adopting SFRS(I) 16 as at 1 April 2019 was as follows:

Group	**Increase/ (decrease) $**
Right-of-use asset	2,285,022
Lease liability	2,715,161
Accumulated losses	430,139

The Group has lease contracts for buildings, equipment and motor vehicles. Before the adoption of SFRS(I) 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. The accounting policy prior to 1 April 2019 is disclosed in Note 2.23.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of new and amended standards and interpretations (Continued)

SFRS(I) 16 Leases (Continued)

Upon adoption of SFRS(I) 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 April 2019 is disclosed in Note 2.24. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

(a) Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under SFRS(I) 1-17). The requirements of SFRS(I) 16 were applied to these leases from 1 April 2019.

(b) Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 April 2019:

- right-of-use assets of $2,285,022 were recognised;
- additional lease liabilities of $2,715,161 were recognised;
- the net effect of these adjustments of $430,139 had been adjusted to accumulated losses. Comparative information is not restated.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of new and amended standards and interpretations (Continued)

SFRS(I) 16 Leases (Continued)

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

	$
Operating lease commitments as at 31 March 2019	3,527,110
Less: Commitments relating to short term leases	(176,400)
Commitments relating to lease of low-value assets	(154,940)
	3,195,770
Weighted average incremental borrowing rate as at 1 April 2019	8.31%
Discounted operating lease commitments as at 1 April 2019	2,715,161
Add: Commitments relating to leases previously classified as finance leases	309,989
Lease liabilities as at 1 April 2019	3,025,150

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020
Amendments to SFRS(I) 3 Definition of a Business	1 January 2020
Amendments to SFRS(I) 1-1 and 1-8 Definition of Material	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform	1 January 2020
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The Group expects that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Foreign currency

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in the equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operations.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.5 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquire are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than leasehold properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold properties	–	Over lease terms of 37 – 67 years
Motor vehicles	–	5 – 6 years
Furniture, fittings and fixtures	–	5 – 10 years
Machinery, instrumentation and tools	–	4 – 20 years
Office equipment	–	3 – 10 years
Renovation	–	5 – 10 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investment properties

Investment properties are properties that are either owned by the Group or right-of-use assets that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at costs less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the remaining lease term.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.10 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation. The land use rights are amortised on a straight-line basis over the lease term.

2.11 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Intangible assets (Continued)

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

(a) *Club memberships*

Transferable individual club memberships are initially recognised at cost and are subsequently measured at cost less accumulated impairment losses, if any.

(b) *Research and development costs*

Research costs are expensed as incurred. Deferred development costs arising from development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

Following initial recognition of the deferred development costs as an intangible asset, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use. Deferred development costs have a finite useful life and are amortised over the period of expected sales from the related project of 10 years on a straight line basis.

(c) *Intangible assets acquired separately*

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets acquired separately are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets acquired separately relate to customer contracts, intellectual property right, software and trademark and are amortised on a straight-line method over their estimated useful lives as follows:

Customer contracts	–	3 years
Intellectual property right	–	20 years
Software	–	7 years
Trademark	–	7 years

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

– Raw materials: purchase costs on a first-in first-out basis.

– Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Associate

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control of those policies.

The Group accounts for its investment in an associate using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in an associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. The profit or loss reflects the share of results of the operations of the associate. Distributions received from the associate reduces the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in an associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

2.15 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial instruments (Continued)

(a) Financial assets (Continued)

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument, the Group presents subsequent changes in fair value changes in profit or loss. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial instruments (Continued)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.16 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Impairment of financial assets (Continued)

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.17 Convertible loans

Convertible loans are separated into liability, derivative and equity components based on the terms of the contract.

On issuance of the convertible loans, the fair value of the liability component is determined using a market rate for an equivalent non-convertible loan. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption in accordance with the accounting policy set out in Note 2.14.

If the conversion option of convertible loans and/or its interests exhibits characteristics of an embedded derivative, it is separated from its liability component. On initial recognition, the derivative component of the convertible loans is measured at fair value and presented as a derivative financial instrument.

Any excess of proceeds over the amounts initially recognised as the derivative and liability components is recognised as the equity component of the convertible loans (net of transaction costs) and included in shareholders' equity. The carrying amount of the equity component is not remeasured in subsequent years.

Transaction costs are apportioned between the liability, derivative and equity components of the convertible loans based on the allocation of proceeds to the liability, derivative and equity components when the instruments are initially recognised.

The portions of the transaction costs relating to the liability and equity components are recognised initially as part of the liability and equity. The portion relating to the derivative component is recognised immediately in the profit or loss.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values. These also include bank overdrafts that form an integral part of the Group's cash management.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.20 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.15 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.21 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period. The liability for leave expected to be settled beyond twelve months from the end of the reporting period is determined using the projected unit credit method. The net total of service costs, net interest on the liability and remeasurement of the liability are recognised in profit or loss.

(c) Employee share award plans

Employees of the Group receive remuneration in the form of share awards as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the awards at the date on which the awards are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share award reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of awards that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The employee share award reserve is transferred to retained earnings upon expiry of the share award, and is only upon new shares issued.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

Accounting policy prior to 1 April 2019

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Accounting policy after 1 April 2019

The Group applies a single recognition and measurement approach for all leases, except for short-term lease and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term of 49 months.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.12.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Leases (Continued)

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercise by the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (eg. Changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying assets.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term leases recognition exemption to its short-term leases (ie those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.25(e). Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. A component of the Group is classified as a 'discontinued operation' when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

2.25 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Construction revenue

The Group is involved in construction projects whereby they are restricted contractually from directing the product for another use as they are being constructed and has an enforceable right to payment for performance completed to date. Revenue is recognised over time using the input method, based on the construction costs incurred to date as a proportion of the estimated total construction costs to be incurred.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

For contract modifications that add distinct goods or services but not at their standalone selling prices, the Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and is recognised as a cumulative adjustment to revenue at the date of modification.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Revenue (Continued)

(b) Sale of goods

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the estimated volume discounts and adjusted for expected returns. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group recognises the expected volume discounts payable to customer where consideration have been received from customers and refunds due to expected returns from customers as refund liabilities. Separately, the Group recognises a related asset for the right to recover the returned goods, based on the former carrying amount of the good less expected costs to recover the goods, and adjusts them against cost of sales correspondingly.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Group also updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods.

(c) Rendering of services

Revenue from installation and monitoring of equipment is recognised over time, based on the actual labour hours spent relative to the total expected labour hours.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.27 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries and associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Taxes (Continued)

(b) Deferred tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.29 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

(a) Taxes

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

3.1 Judgments made in applying accounting policies (Continued)

(a) Taxes (Continued)

Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Geotechnical and construction contracts

For construction contracts where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the construction contracts to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the construction contracts. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the construction contracts.

Significant estimates are required to determine the total construction and other related costs and the recoverable variation works that affect the progress of construction contracts. In making these estimates, management has relied on past experience and knowledge of the project engineers.

Contract revenue and contract costs recognised for the financial year ended 31 March 2020 are disclosed in the consolidated income statement. Contract assets and liabilities are disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(b) Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 33(c).

The carrying amount of trade receivables and contract assets is disclosed in Note 16 and 4 to the financial statements.

(c) Impairment of investment in subsidiaries and amounts due from subsidiaries

The Company has applied the applicable accounting guidance in determining whether any impairment on the carrying value of investment in subsidiaries and amounts due from subsidiaries as at year-end is required. When indicators of impairment exist, significant judgement is required to be exercised by the Company to determine the recoverable amount to the cost of investments. The Company has to evaluate, among other factors, the growth rates, industry forecasts and discount rate for the assessment of impairment on the investment in subsidiaries.

In relation to the assessment of the loss allowance for the amounts due from subsidiaries, certain assumptions are made, including the future repayment by the subsidiaries, the business and the economic outlook, growth rate as well as the potential impact COVID-19 pandemic implications on the operations of the subsidiaries.

The carrying amount of investment in subsidiaries and amount due from subsidiaries is disclosed in Notes 12 and 16 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

4. REVENUE

(a) Disaggregation of revenue

	Construction		Sale of goods		Services rendered		Discontinued operations		Total revenue	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
								Re-presented		**Re-presented**
Primary geographical markets										
Singapore	**3,804,535**	6,382,028	**143,599**	1,124,106	**10,499,945**	26,942,730	**(3,804,535)**	(6,382,028)	**10,643,544**	28,066,836
People's Republic of China	**959,948**	8,084,054	**1,215,614**	2,484,372	**184,713**	1,089,819	**(2,360,275)**	(11,658,245)	**–**	–
	4,764,483	14,466,082	**1,359,213**	3,608,478	**10,684,658**	28,032,549	**(6,164,810)**	(18,040,273)	**10,643,544**	28,066,836
Major product or service lines										
Construction contracts	**3,804,535**	6,382,028	**–**	–	**–**	–	**(3,804,535)**	(6,382,028)	**–**	–
Engineering business	**–**	–	**–**	–	**8,094,112**	24,996,771	**–**	–	**8,094,112**	24,996,771
Water-related and environmental business	**959,948**	8,084,054	**1,359,213**	3,608,478	**2,590,008**	3,027,460	**(2,360,275)**	(11,658,245)	**2,548,894**	3,061,747
Software licensing	**–**	–	**–**	–	**538**	8,318	**–**	–	**538**	8,318
	4,764,483	14,466,082	**1,359,213**	3,608,478	**10,684,658**	28,032,549	**(6,164,810)**	(18,040,273)	**10,643,544**	28,066,836
Timing of transfer of goods or services										
At a point in time	**–**	–	**1,359,213**	3,608,478	**–**	–	**(1,215,614)**	(2,484,372)	**143,599**	1,124,106
Over time	**4,764,483**	14,466,082	**–**	–	**10,684,658**	28,032,549	**(4,949,196)**	(15,555,901)	**10,499,945**	26,942,730
	4,764,483	14,466,082	**1,359,213**	3,608,478	**10,684,658**	28,032,549	**(6,164,810)**	(18,040,273)	**10,643,544**	28,066,836

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2020

4. REVENUE (CONTINUED)

(b) Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group		
	2020	**2019**	**1 April 2018**
	$	**$**	**$**
Receivables from contracts with customers (Note 16)	**3,637,285**	9,644,643	9,182,180
Contract assets	**7,427,079**	32,232,128	44,406,733
Contract liabilities	**1,693,246**	1,655,837	4,623,601

The Group has recognised impairment losses on receivables arising from contracts with customers amounting to $341,567 (2019: $500,886).

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for revenue from construction contracts. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for revenue from construction contracts.

Contract liabilities are recognised as revenue as the Group performs under the contract.

(i) Significant changes in contract assets are explained as follows:

	Group	
	2020	**2019**
	$	**$**
Contract asset reclassified to receivables	**12,855,318**	29,322,011
Provision for onerous contracts	**219,280**	29,484

(ii) Significant changes in contract liabilities are explained as follows:

	Group	
	2020	**2019**
	$	**$**
Revenue recognised that was included in the contract liability balance at the beginning of the year	**159,025**	3,021,385

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

4. REVENUE (CONTINUED)

(c) Transaction price allocated to remaining performance obligation

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 March 2020 is $85,319,167 (2019: $77,025,635). This amount has not included the following:

- Performance obligations for which the Group has applied the practical expedient not to disclose information about its remaining performance obligations if:
  - The performance obligation is part of a contract that has an original expected duration for one year or less, or
  - The Group recognises revenue in the amount to which the Group has a right to invoice customers in amounts that correspond directly with the value to the customer of the Group's performance completed to date.
- Variable consideration that is constrained and therefore is not included in the transaction price.

The Group expects to recognise all its unsatisfied (or partially satisfied) performance obligations as at 31 March 2020 within 8 years (2019: 8 years) of the reporting date.

5. OTHER INCOME

	Group	
	2020	**2019**
	$	**$**
		Re-presented
Gain on disposal of plant and equipment	**27,611**	23,850
Government grants	**55,659**	102,175
Interest income	**361,101**	10,788
Foreign exchange gain	**301,599**	21,373
Sundry income	**78,729**	145,773
Rental income	**165,397**	–
Settlement received from legal claim	**–**	43,200
	990,096	347,159

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

6. FINANCE COSTS

	Group	
	2020	**2019**
	$	**$**
Interests on:		**Re-presented**
• Bank overdraft	**95,919**	103,141
• Convertible loans (Note 25)	**374,849**	1,053,986
• Lease liabilities	**213,492**	27,793
• Term loans	**445,226**	341,736
• Fixed advance facility loan	**9,853**	114,878
• Loans from shareholders	**689,048**	452,052
• Mortgage loan	**18,944**	19,031
	1,847,331	2,112,617

7. LOSS BEFORE TAXATION

The following items have been included in arriving at loss before taxation:

	Group	
	2020	**2019**
	$	**$**
Continuing operations		**Re-presented**
Amortisation of intangible assets	**243,518**	167,613
Audit fees paid to		
– Auditor of the Company	**153,000**	147,000
– Other auditors	**5,790**	4,800
Non-audit fees paid to		
– Auditor of the Company	**40,100**	41,000
– Other auditors	**1,455**	1,846
Cost of inventories	**2,752,798**	2,553,906
Depreciation of property, plant and equipment	**1,446,467**	1,573,609
Depreciation of investment property	**15,504**	–
Depreciation of right-of-use asset	**685,507**	–
Employee benefits expense	**20,691,805**	18,273,242
Fair value loss on investment securities	**804,484**	879,903
Foreign exchange loss, net	**56,714**	83,230
Impairment loss on plant and equipment	**69,643**	–
Impairment loss on financial assets	**654,105**	25,209
Inventories written off	**3,568**	–
Provision for onerous contracts	**219,280**	29,484
Loss on disposal of plant and equipment	**2,442**	25,239
Operating lease expenses	**140,821**	642,162
Professional fees	**378,711**	222,920
Subcontractor costs	**3,522,048**	5,059,185
Upkeep of motor vehicles	**350,436**	336,739
Write down of inventories	**7,157**	9,268
Write-off of plant and equipment	**1,870**	17,446

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

7. LOSS BEFORE TAXATION (CONTINUED)

	Group 2020 $	Group 2019 $ Re-presented
Discontinued operation		
Amortisation of intangible assets	**90**	273
Amortisation of land use rights	**18,545**	56,472
Audit fees paid to		
– Auditor of the Company	**–**	32,000
– Other auditors	**126,111**	139,480
Non-audit fees paid to Auditor of the Company	**5,049**	8,500
Cost of inventories	**2,706,037**	9,909,090
Depreciation of property, plant and equipment	**610,317**	2,718,139
Employee benefits expense	**1,375,787**	8,132,586
Foreign exchange loss, net	**2,092**	432,218
Impairment loss on plant and equipment	**–**	7,578,162
Impairment loss on financial assets	**–**	639,714
Provision for onerous contracts	**–**	1,190,750
Operating lease expenses	**–**	1,120,478
Professional fees	**–**	67,984
Subcontractor costs	**514,337**	1,930,534
Upkeep of motor vehicles	**–**	243,547
Write-off of plant and equipment	**–**	69
Employee benefits expense comprise the following:		
Employee benefits expense:		
Continued operations		
• salaries, bonuses and other benefits	**18,841,178**	17,166,032
• contributions to defined contribution plans	**979,046**	1,107,210
• employee share awards scheme	**871,581**	–
	20,691,805	18,273,242
Discontinued operation		
• salaries, bonuses and other benefits	**1,345,540**	7,914,141
• contributions to defined contribution plans	**30,247**	218,445
	1,375,787	8,132,586

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

8. INCOME TAX CREDIT

Major components of income tax credit

The major components of income tax credit for the financial years ended 31 March 2020 and 2019 are:

	Group	
	2020 $	2019 $ Re-presented
Consolidated income statement:		
Attributable to continuing operations		
Current income tax:		
– Current income taxation	**12,460**	–
– Over provision in respect of previous years	**(62,892)**	(121,937)
	(50,432)	(121,937)
Deferred income tax:		
– Origination and reversal of temporary differences	**(202,368)**	(59,962)
	(202,368)	(59,962)
Income tax credit attributable to continuing operations	**(252,800)**	(181,899)
Income tax expense attributable to discontinued operations (Note 20)	**–**	(36,068)
Income tax credit recognised in profit or loss	**(252,800)**	(217,967)

Domestic income tax is calculated at 17% (2019: 17%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions. The taxable profits of the Group's subsidiaries in the People's Republic of China ("PRC") and Malaysia are subject to corporate income tax of 25% (2019: 25%) and 24% (2019: 24%) respectively.

Relationship between income tax credit and accounting loss

The reconciliation between income tax credit and the product of accounting loss multiplied by the applicable corporate tax rates for the financial years ended 31 March 2020 and 2019 are as follows:

	Group	
	2020 $	2019 $ Re-presented
Loss before taxation from continuing operations	**(21,972,786)**	(5,581,875)
Profit/(Loss) before taxation from discontinued operation	**9,899,653**	(21,963,293)
Accounting loss before tax	**(12,073,133)**	(27,545,168)
Tax at Singapore statutory tax rate of 17% (2019: 17%)	**(2,052,433)**	(4,682,679)
Adjustments:		
Effect of different tax rates of overseas operations	**(128,595)**	(236,852)
Non-deductible expenses	**1,101,202**	448,958
Income not subject to taxation	**(1,860,359)**	(56,137)
Effect of partial tax exemption	**(12,749)**	–
Overprovision in respect of prior financial years	**(62,892)**	(135,031)
Deferred tax assets not recognised	**2,763,026**	4,441,979
Others	**–**	1,795
Income tax credit recognised in profit or loss	**(252,800)**	(217,967)

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 March 2020

8. **INCOME TAX CREDIT** (CONTINUED)

Relationship between income tax credit and accounting loss (Continued)

The unutilised tax losses and unabsorbed capital allowances are as follows:

	Group	
	2020 **$**	**2019** **$**
Unutilised tax losses		
– Continuing operations	**7,346,497**	47,080,176
– Discontinued operation	**–**	9,191,993
Unabsorbed capital allowances		
– Continuing operations	**425,524**	6,757,879
– Discontinued operation	**–**	14,924,908
	7,772,021	77,954,956

As at 31 March 2020, the Group has unutilised tax losses and capital allowances that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these unutilised tax losses and capital allowances is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation.

9. **LOSS PER SHARE**

Basic loss per share amounts are calculated by dividing loss for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing loss for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the loss and share data used in the computation of basic and diluted loss per share for the financial years ended 31 March:

	Group	
	2020 **$**	**2019** **$** **Re-presented**
Continuing operations		
Loss for the year, attributable to owners of the Company for basic and diluted loss per share	**(21,673,764)**	(5,257,277)
Weighted average number of ordinary shares on issue applicable to basic and diluted loss per share	**933,980,225**	907,971,182
Discontinuing operation		
Profit/(loss) for the year, attributable to owners of the Company for basic and diluted loss per share	**9,899,653**	(21,927,225)
Weighted average number of ordinary shares on issue applicable to basic and diluted loss per share	**933,980,225**	907,971,182

Diluted loss per share for the financial years ended 31 March 2020 and 31 March 2019 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive for the years presented.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2020

10. PROPERTY, PLANT AND EQUIPMENT

Group 2020	Leasehold properties $	Motor vehicles $	Furniture, fittings and fixtures $	Machinery, instrumentation and tools $	Office equipment $	Renovation $	Capital work in progress $	Total $
Cost								
At 1 April 2018	28,418,324	3,763,803	616,029	43,468,592	2,564,255	1,228,003	2,634,711	82,693,717
Additions	–	207,671	5,785	1,183,205	113,520	448,443	176,240	2,134,864
Disposals	–	(104,600)	–	(605,197)	–	–	–	(709,797)
Write off	–	(10,000)	(91,882)	–	(44,923)	(456,517)	–	(603,322)
Attributable to discontinued operation (Note 20)	–	(1,751,576)	(150,371)	(21,212,934)	(72,821)	–	–	(23,187,702)
Currency translation differences	(873,102)	(24,631)	–	(339,223)	(28,539)	(21,857)	(75,483)	(1,362,835)
At 31 March 2019 and 1 April 2019	27,545,222	2,080,667	379,561	22,494,443	2,531,492	1,198,072	2,735,468	58,964,925
Additions	–	12,921	54,690	86,930	47,594	30,515	21,694	254,344
Disposals	–	(94,002)	–	(61,812)	–	–	–	(155,814)
Disposal of subsidiaries	(25,239,034)	(611,650)	(43,429)	(4,284,466)	(555,841)	(631,283)	(2,691,284)	(34,056,987)
Transfer to investment property (Note 11)	(1,600,000)	–	–	–	–	–	–	(1,600,000)
Write off	–	–	(3,800)	(26,001)	(17,147)	–	–	(46,948)
Currency translation differences	(706,188)	(19,921)	–	(131,279)	(23,237)	(17,679)	(65,878)	(964,182)
At 31 March 2020	–	1,368,015	387,022	18,077,815	1,982,861	579,625	–	22,395,338

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2020	Leasehold properties $	Motor vehicles $	Furniture, fittings and fixtures $	Machinery, instrumentation and tools $	Office equipment $	Renovation $	Capital work in progress $	Total $
Accumulated depreciation and impairment loss								
At 1 April 2018	1,932,152	2,389,517	455,503	23,908,861	2,043,556	551,030	–	31,280,619
Depreciation	621,513	421,616	43,726	2,990,563	175,095	39,235	–	4,291,748
Disposals	–	(104,598)	–	(386,047)	–	–	–	(490,645)
Impairment loss*	–	132,620	–	7,418,914	26,628	–	–	7,578,162
Write off	–	(4,028)	(86,344)	–	(41,802)	(453,633)	–	(585,807)
Attributable to discontinued operation (Note 20)	–	(866,573)	(129,120)	(17,006,786)	(108,231)	–	–	(18,110,710)
Currency translation differences	(62,020)	(18,239)	(67)	(243,963)	(18,190)	(197)	–	(342,676)
At 31 March 2019 and 1 April 2019	2,491,645	1,950,315	283,698	16,681,542	2,077,056	136,435	–	23,620,691
Depreciation	166,736	102,233	22,241	1,310,823	139,572	53,494	–	1,795,099
Disposals	–	(84,518)	–	(59,736)	–	–	–	(144,254)
Disposal of subsidiaries	(2,495,716)	(620,667)	(1,403)	(2,505,708)	(399,772)	(4,298)	–	(6,027,564)
Transfer to investment property (Note 11)	(95,278)	–	–	–	–	–	–	(95,278)
Impairment loss	–	–	–	(69,643)	–	–	–	(69,643)
Write off	–	–	(3,673)	(24,480)	(16,925)	–	–	(45,078)
Currency translation differences	(67,387)	(17,087)	–	(14,006)	(16,013)	(112)	–	(114,605)
At 31 March 2020	–	1,330,276	300,863	15,318,792	1,783,918	185,519	–	18,919,368
Net carrying amount								
At 31 March 2020	–	37,739	86,159	2,759,023	198,943	394,106	–	3,475,970
At 31 March 2019	25,053,577	130,352	95,863	5,812,901	454,436	1,061,637	2,735,468	35,344,234

* Mainly relating to impairment loss on property, plant and equipment of discontinued operations as at 31 March 2019 amounting to $7,578,162.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Office equipment $	Leasehold property $	Total $
Cost			
At 1 April 2018	3,015	1,600,000	1,603,015
Addition	746	–	746
At 31 March 2019 and 1 April 2019	3,761	1,600,000	1,603,761
Transfer to investment property (Note 11)	–	(1,600,000)	(1,600,000)
At 31 March 2020	3,761	–	3,761
Accumulated depreciation			
At 1 April 2018	2,375	36,364	38,739
Charge for the year	649	37,209	37,858
At 31 March 2019 and 1 April 2019	3,024	73,573	76,597
Charge for the year	240	21,705	21,945
Transfer to investment property (Note 11)	–	(95,278)	(95,278)
At 31 March 2020	3,264	–	3,246
Net carrying amount			
At 31 March 2020	497	–	497
At 31 March 2019	737	1,526,427	1,527,164

As at the end of the financial year, the carrying amounts of plant and equipment which were acquired under finance lease arrangements are as follows:

	Group 2020 $	Group 2019 $
Motor vehicles	**25,451**	98,165
Machinery, instrumentation and tools	**377,390**	602,196
	402,841	700,361

Finance leased assets are pledged as a security for the related finance lease payables (Note 24).

As at 31 March 2020, the Group's and the Company's leasehold property with carrying amount of $nil (2019: approximately $24,060,208 and $1,526,427) respectively have been pledged to secure certain bank borrowings (Note 22).

For the purpose of consolidated cash flow statement, the Group's additions to plant and equipment are financed as follows:

	Group 2020 $	Group 2019 $
Additions of plant and equipment	**494,344**	2,134,864
Acquired under finance lease arrangements	**(168,000)**	(155,685)
Cash payments to acquire plant and equipment	**326,344**	1,979,179

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 March 2019, the Group's and the Company's leasehold properties are as follows:

Location	Description	Tenure	Approximate site area (sq. m.)
8A Admiralty Street #06-28 Food Xchange, Singapore[(2)]	Factory building, office and warehouse	60 years lease from 2000	256.00
No.185 Dalian Road, Huangdao, PRC[(3)]	An apartment for key management personnel	41 years lease from 2011	137.45
Haibing 2 Road, Huangdao, PRC[(3)]	18 apartments for staff dormitory	67 years lease from 2012	1,629.43
No. 288 East Zhuhai Road, Huangdao, PRC[(3)]	10 units of office premises	48 years lease from 2012	1,114.44
South Haibing 2 Road, East of West Zhushan Road, Huangdao, PRC[(3)]	Factory building	48 years lease from 2013	47,689.57
Unit 704, Huikang Building, Zhanxi Road, Yaohai District, PRC[(1)(3)]	Office premises	37 years lease from 2014	263.21
Unit E-401, Huayi Science Park, Tianda Road, Shushan District, PRC[(1)(3)]	Industrial space	41 years lease from 2014	752.08
Unit 1413, No 15, Lane 299, Jiangchang West Road, Zhabei District, PRC[(3)]	Office premises	45 years lease from 2014	52.48

(1) These leasehold properties, with net carrying amount of approximately $1,014,100 as at 31 March 2019 were being held in trust for the Group by a key management personnel of a subsidiary.

(2) This leasehold property was transferred to investment property (Note 11) on 1 November 2019.

(3) These leasehold properties have been derecognised, following the partial disposal of Tritech Environmental Group Co., Ltd. on 31 July 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

11. INVESTMENT PROPERTY

	Group and Company	
	2020 **$**	**2019** **$**
Cost		
At 1 April	–	–
Transfer from property, plant and equipment (Note 10)	**1,600,000**	–
At 31 March	**1,600,000**	–
Accumulated depreciation		
At 1 April	–	–
Transfer from property, plant and equipment (Note 10)	**95,278**	–
Charge for the year	**15,504**	–
At 31 March	**110,782**	–
Net carrying amount		
At 31 March	**1,489,218**	–
The following amount is recognised in the income statement:		
Rental income	**42,056**	–
Direct operating expenses arising from investment property	**12,293**	–

In 2020, the Group and the Company transferred its leasehold factory building in Singapore that was held as owner-occupied property to investment property. On 1 November 2019, the Group and the Company commenced to hold the factory building to earn rental or for capital appreciation, or both.

Details of the investment property is disclosed as follows:

Location	**Description**	**Tenure**	**Approximate site area (sq. m.)**
8A Admiralty Street #06-28 Food Xchange, Singapore	Factory building, office and warehouse	60 years lease from 2000	256.00

The investment property is leased to third party under operating lease, further summary details of which are included in Note 29(c) to the financial statements.

As at the end of the financial year, the Group's and the Company's investment property has a remaining lease term of 40 years and is pledged as security for certain bank borrowings (Note 22).

The fair value of investment property as at 31 March 2020 is $1,680,000 based on independent external valuation using sales comparison method.

12. INVESTMENTS IN SUBSIDIARIES

	Company	
	2020 **$**	**2019** **$**
Unquoted equity shares, at cost	**70,297,815**	70,297,815
Capitalisation of equity-settled share awards	**871,581**	–
Disposal of subsidiaries	**(34,647,530)**	–
Impairment losses	**(16,142,865)**	–
Net carrying amount	**20,379,001**	70,297,815

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Movement in impairment losses during the financial year was as follows:

	Company	
	2020 $	2019 $
At 1 April	–	–
Addition	16,142,865	–
At 31 March	16,142,865	–

During the financial year ended 31 March 2020, an impairment loss of $16,142,865 (2019: $nil) was recognised to write-down the carrying amount due to the expected recoverable amount based on the equity value of these subsidiaries.

Details of subsidiaries are as follows:

Name of subsidiary	Country of incorporation/ operation	Principal activities	Proportion of ownership interest 2020 %	2019 %
Held by the Company:				
TGL Engineering Group Pte Ltd[1]	Singapore	Investment holding company	100	100
Tritech Environmental Group Co., Ltd.[4]	PRC	Production and sale of membranes for use in waste treatment systems and water treatment systems	–[5]	100[8]
Geosoft Pte Ltd[2]	Singapore	Development and sale of engineering finite element analysis programs in the geotechnical field	60	60
Tritech Water Technologies Pte Ltd[1]	Singapore	Manufacture of bottled and alkaline drinking water, product development and innovation centre	100[6]	–
Tritech Syseng (S) Pte Ltd[1]	Singapore	Design and development of automation and engineering system, manufacturer, and provision of remote water monitoring services	100[6]	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation/ operation	Principal activities	Proportion of ownership interest 2020 %	2019 %
Held through TGL Engineering Group Pte Ltd:				
Tritech Engineering & Testing (Singapore) Pte Ltd[1]	Singapore	Geological, geotechnical and geophysical investigation, land surveying, instrumentation and analytical study and other related services	100	100
Tritech Consultants Pte Ltd[1]	Singapore	Architectural, engineering and professional consultancy	100	100
Tritech Geotechnic Pte Ltd[1][9]	Singapore	Soil investigation, treatment and stabilisation (including grouting and grunting)	100	100
Tritech Instruments Pte Ltd[1][9]	Singapore	Supply, installation and monitoring of all kinds of engineering instruments	100	100
Presscrete Engineering Pte Ltd[1]	Singapore	Civil and structural engineering services	–[7]	100
Terra Tritech Engineering (M) Sdn Bhd[3]	Malaysia	Providing civil engineering services	100	100
Held through Tritech Environmental Group Co., Ltd.:				
Tritech (Qingdao) Membrane Technologies Co., Ltd[4]	PRC	Production and sale of membranes for use in waste treatment systems and water treatment system	–[5]	100
Tritech Vavie Health Care Technologies Co., Ltd.[4]	PRC	Sale of water purifiers	–[5]	100
Anhui Clean Environment Biotechnology Co., Ltd[4]	PRC	Waste water treatment	–[5]	100
Beijing Wisetec Technologies Co., Ltd[4]	PRC	Business of designing, developing, services and sale of electronic products	–[5]	100
Tritech Water Technologies Pte Ltd[1]	Singapore	Manufacture of bottled and alkaline drinking water, product development and innovation centre	–[6]	100

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For the financial year ended 31 March 2020

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation/ operation	Principal activities	Proportion of ownership interest 2020 %	2019 %
Held through Tritech Environmental Group Co., Ltd.: (continued)				
Tritech Syseng (S) Pte Ltd(1)	Singapore	Design and development of automation and engineering system, manufacturer, and provision of remote water monitoring services	–(6)	100
Held through Tritech Vavie Health Care Technologies Co., Ltd:				
Tritech Vavie (Beijing) Healthcare Technologies Co., Ltd(4)	PRC	Sale of water purifiers	–(5)	100

(1) Audited by Ernst & Young LLP, Singapore
(2) Audited by Teo Boon Tieng & Co, Chartered Accountants, Singapore
(3) Audited by SE Lai Associates, Chartered Accountants, Malaysia
(4) Not required to be audited under law in its country of incorporation
(5) The Group has disposed 60% equity interest in its subsidiary, Tritech Environmental Group Co., Ltd. ("TEG") and its shareholdings in its four directly held wholly-owned China subsidiaries on 31 July 2019 as disclosed in Note 20 to the financial statements.
(6) Tritech Water Technologies Pte Ltd and Tritech Syseng (S) Pte Ltd had been restructured to become wholly-owned subsidiaries of the Company as at 31 July 2019.
(7) The Group has disposed 100% equity interest in its subsidiary, Presscrete Engineering Pte Ltd pursuant to the Sale & Purchase Agreement dated 12 May 2019 as disclosed in Note 20 to the financial statements.
(8) 100% of shares amounting to $36,147,534 were pledged as security to term loan XI which is disclosed in Note 22 to the financial statements and has been fully discharged following the disposal of Tritech Environmental Group Co., Ltd..
(9) In the process of striking off as at 23 December 2019.

Significant restrictions

The nature and extent of significant restrictions on the Group's ability to use or access assets and settle liabilities of subsidiaries with material non-controlling interests are:

Cash and cash equivalents of $Nil as at 31 March 2020 (31 March 2019: $2,807,480) held in PRC were subject to local exchange control regulations. These regulations places restriction on the amount of currency being exported other than through dividends.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Interest in a subsidiary with material non-controlling interest ("NCI")

The Group has the following subsidiary that has NCI that is material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI %	Loss allocated to NCI during the reporting period $	Accumulated NCI at the end of reporting period $
31 March 2020:				
Geosoft Pte Ltd	Singapore	40	(46,222)	155,280
31 March 2019:				
Geosoft Pte Ltd	Singapore	40	(142,699)	201,502

Summarised financial information about a subsidiary with material NCI

Summarised financial information including consolidation adjustments but before intercompany eliminations of a subsidiary with material NCI are as follows:

Summarised balance sheet

	Geosoft Pte. Ltd. 2020 $	2019 $
Current		
Assets	**478,929**	602,715
Liabilities	**(94,823)**	(106,448)
Net current assets	**384,106**	496,267
Non-current		
Assets	**4,094**	7,488
Net assets	**388,200**	503,755

Summarised statement of comprehensive income

	Geosoft Pte Ltd 2020 $	2019 $
Revenue	**77,338**	87,080
Loss before tax	**(135,542)**	(378,887)
Tax expense	**19,987**	59,961
Loss after tax and total comprehensive income	**(115,555)**	(318,923)
Other summarised information		
Net cash flows used in operations	**(13,959)**	(28,840)

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For the financial year ended 31 March 2020

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Acquisition of ownership interest in subsidiary, without loss of control

On 31 July 2018, the Company acquired an additional 6% equity interest in Geosoft Pte Ltd ("Geosoft") from its non-controlling interests for a cash consideration of $41,209. As a result of this acquisition, the equity interest in Geosoft increased from 54% to 60%. The carrying value of the net assets of Geosoft at 31 July 2018 was $570,580 and the carrying value of the additional interest acquired was $34,235. The difference of $6,974 between the consideration and the carrying value of the additional interest acquired has been recognised as "Premium paid on acquisition of non-controlling interests" within equity.

The following summarises the effect of the change in the Group's ownership interest in Geosoft on the equity attributable to owners of the Company:

	$
Consideration paid for acquisition of non-controlling interests	41,209
Decrease in equity attributable to non-controlling interests	(34,235)
Decrease in equity attributable to owners of the Company	6,974

13. INVESTMENT IN ASSOCIATE

The Group's investment in associate is summarised as below:

	Group		Company	
	2020 $	**2019 $**	**2020 $**	**2019 $**
At 1 April	**624,567**	624,600	**–**	–
Disposal of associate	**(624,567)**	–	**–**	–
Recognition of cost of investment	**5,528,960**	–	**5,528,960**	–
Share of associate's results	**(290,053)**	(33)	**–**	–
Foreign currency differences	**108,120**	–	**–**	–
At 31 March	**5,347,027**	624,567	**5,528,960**	–

Name of associate	Country of incorporation/ operation	Principal activities	Proportion of ownership interest	
			2020 %	**2019 %**
Held through Tritech Environmental Group Co., Ltd.:				
Tritech Vavie (Shanghai) Healthcare Technologies Co. Ltd(1)	PRC	Sale of water purifiers	**–**	30
Held by the Company:				
Tritech Environmental Group Co., Ltd.(1)	PRC	Production and sale of membranes for use in waste treatment systems and water treatment systems	**40**	–

(1) Not required to be audited under law in its country of incorporation

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

13. INVESTMENT IN ASSOCIATE (CONTINUED)

The summarised financial information in respect of Tritech Environmental Group Co., Ltd. and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	Tritech Environmental Group Co., Ltd.
	2020 $
Current assets	47,074,025
Non-current assets	39,904,308
Current liabilities	(71,592,979)
Non-current liabilities	(2,017,787)
Net assets	13,367,567
Proportion of the Group's ownership	40%
Group's share of net assets	5,347,027
Carrying amount of the investment	5,347,027

Summarised consolidated statement of comprehensive income

	2020 $
Loss before tax	(32,466)
Loss after tax	(725,133)
Other comprehensive income	270,300
Group's share of loss and other comprehensive income for the year	(181,933)

14. LAND USE RIGHTS

	Group	
	2020 $	2019 $
Cost		
At 1 April	2,818,035	2,912,946
Disposal of subsidiary	(2,741,268)	–
Currency translation differences	(76,767)	(94,911)
At 31 March	–	2,818,035
Accumulated amortisation		
At 1 April	405,892	361,303
Amortisation	18,545	56,472
Disposal of subsidiary	(413,110)	–
Currency translation differences	(11,327)	(11,883)
At 31 March	–	405,892
Net carrying amount		
At 31 March	–	2,412,143

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For the financial year ended 31 March 2020

14. LAND USE RIGHTS (CONTINUED)

At 31 March 2019, the Group has land use rights over approximately 18.12 acres of land in the PRC where the Group's factory for manufacturing and production of membranes for use in waste water treatment systems and water treatment system was built on. The land use rights is transferable and has a remaining tenure of 42 years as at 31 March 2019 and is pledged as security for certain bank borrowings (Note 22).

15. INTANGIBLE ASSETS

Group	Goodwill $	Transferable club memberships $	Intellectual property right $	Customer contracts $	Development expenditures $	Software $	Trademark $	Total $
Cost								
At 1 April 2018	698,130	76,500	198,700	448,401	566,328	823,000	5,308	2,816,367
Attributable to assets of disposal group classified as held for sale (Note 20)	–	(45,000)	–	–	–	–	–	(45,000)
Currency translation differences	–	–	–	(14,610)	–	–	(2,576)	(17,186)
At 31 March 2019 and 1 April 2019	698,130	31,500	198,700	433,791	566,328	823,000	2,732	2,754,181
Additions	–	–	–	–	1,638,973	–	–	1,638,973
Disposal of subsidiaries	–	–	–	(421,974)	–	–	(2,656)	(424,630)
Currency translation differences	–	–	–	(11,817)	–	–	(76)	(11,893)
At 31 March 2020	698,130	31,500	198,700	–	2,205,301	823,000	–	3,956,631
Accumulated amortisation and impairment loss								
At 1 April 2018	243,901	–	84,916	448,401	285,588	235,142	966	1,298,914
Amortisation	–	–	9,935	–	40,106	117,571	274	167,886
Currency translation differences	–	–	–	(14,610)	–	–	(32)	(14,642)
At 31 March 2019 and 1 April 2019	243,901	–	94,851	433,791	325,694	352,713	1,208	1,452,158
Amortisation	–	–	9,935	–	116,012	117,571	90	243,608
Disposal of subsidiaries	–	–	–	(421,974)	–	–	(1,262)	(423,236)
Currency translation differences	–	–	–	(11,817)	–	–	(36)	(11,853)
At 31 March 2020	243,901	–	104,786	–	441,706	470,284	–	1,260,677
Net carrying amount								
At 31 March 2020	454,229	31,500	93,914	–	1,763,595	352,716	–	2,695,954
At 31 March 2019	454,229	31,500	103,849	–	240,634	470,287	1,524	1,302,023

As at the end of the reporting period, the transferable club membership rights are held in trust by a director of the Company.

15. INTANGIBLE ASSETS (CONTINUED)

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units ("CGUs") for the purpose of impairment testing. The CGUs are represented by the Group's investments in subsidiaries. The carrying amount of goodwill allocated to each CGU is as follows:

			Assumption			
CGU	**Goodwill**		**Long-term growth rate**		**Pre-tax discount rate per annum**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
	$	**$**	**%**	**%**	**%**	**%**
Geosoft[(1)]	**454,229**	454,229	**0.00**	2.08	**8.33**	8.33

(1) Operates within the Other business segment

The recoverable amounts of the CGUs have been determined based on value-in-use calculations, using cash flow projections from financial budgets approved by management covering a five-year period.

Key assumptions used in the value in use calculations

The calculations of value-in-use for the above CGUs are most sensitive to the following assumptions:

Growth rates – Management's estimates of the forecasted growth rates, with reference to published industry. The forecasted growth rate adopted by the Group, do not exceed the long-term average growth rate for the industries relevant to the CGUs.

Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use for the above CGUs, management believes that no reasonably possible significant changes in any of the above key assumptions would cause the recoverable amounts of the CGUs to be materially lower than their carrying values.

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For the financial year ended 31 March 2020

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 $	2019 $	2020 $	2019 $
Non-current assets				
Other receivables				
Other receivables due from associate	**5,141,654**	–	**5,141,654**	–
Loan receivables due from associate	**5,456,995**	–	**5,456,995**	–
	10,598,649	–	**10,598,649**	–
Less: Expected credit loss	**(220,828)**	–	**(220,828)**	–
Amounts due from associate	**10,377,821**	–	**10,377,821**	–
Current assets				
Trade receivables				
Trade receivables from third parties	**4,025,340**	11,496,423	**–**	–
Amounts due from subsidiaries	**–**	–	**4,052,001**	7,557,979
Amount due from associate	**–**	27,887	**–**	–
	4,025,340	11,524,310	**4,052,001**	7,557,979
Less: Expected credit losses	**(388,055)**	(1,879,667)	**–**	–
	3,637,285	9,644,643	**4,052,001**	7,557,979
Other receivables				
GST refundable	**36,537**	13,399	**3,000**	–
Other receivables from third parties	**473,747**	2,442,791	**338,668**	–
Amounts due from subsidiaries	**–**	–	**12,133,427**	22,073,220
Amount due from associate	**586,223**	–	**–**	–
Less: Expected credit losses	**(20,685)**	–	**(1,979,999)**	(1,979,999)
	565,538	–	**10,153,428**	20,093,221
Advances to employees	**45,458**	581,492	**–**	–
Deposits	**579,505**	275,780	**1,000**	1,000
Prepaid expenses	**–**	–	**–**	67,250
Grant receivable	**595,249**	–	**–**	–
	5,933,319	12,958,105	**14,548,097**	27,719,450
Total trade and other receivables	**16,311,140**	12,958,105	**24,925,918**	27,719,450

Trade receivables

Trade receivables are non-interest bearing and generally on 30 to 90 (2019: 30 to 90) days' credit terms.

Amounts due from subsidiaries

The amounts due from subsidiaries mainly comprise management fee income, rechargeable expenses and loans. The trade and non-trade amounts due from the subsidiaries are unsecured, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

Amounts due from associate

Non-current assets

The Group recognised amounts due from associate of $5,957,035 which were repayable on demand. As at 31 July 2019, these amounts were renegotiated to be repayable in interest free instalments from the operating cashflow of these entities over future periods. As per SFRS (I) 9, the modification of these terms has triggered the de-recognition of the existing instrument and recognition of a new instrument. This instrument has been measured at fair value upon initial recognition according to the following inputs:

Market interest rate	6.61%
Previous carrying value	$5,957,035
New instrument carrying value at fair value upon initial recognition on 31 July 2019	$4,916,277
Fair value loss (recorded as part of gain on disposal of subsidiary)	$1,040,758

As at 31 March 2020, the amount of $5,141,654 due from associate, $2,208,800 are denominated in Chinese Yuan.

Current assets

The amounts due from associate mainly comprise expenses recharged and advances which are unsecured, non-interest bearing and repayable on demand.

Loans due from associate

The loans due from associate are denominated in Chinese Yuan and bears an effective interest rate of 6.5% per annum. The loans are repayable up to 3 years.

Grant receivable

Grant receivable consists the Jobs Support Scheme funded by the Singapore Government.

Trade and other receivables denominated in foreign currencies other than the functional currency of the entity as at 31 March are as follows:

	Group	
	2020	**2019**
	$	**$**
United States dollar	**747,686**	193,607
Chinese Yuan	**7,665,795**	–

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For the financial year ended 31 March 2020

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

Expected credit losses

The movement in allowance for expected credit losses of trade receivables, amount due from associate and contract assets computed based on lifetime ECL are as follows:

	Group					
	Trade receivables 2020 $	Amount due from associate 2020 $	Contract assets 2020 $	Trade receivables 2019 $	Amount due from associate 2019 $	Contract assets 2019 $
Movement in allowance accounts:						
At 1 April	**1,879,667**	**–**	**147,551**	1,442,108	–	118,067
Charge for the year	**412,592**	**241,513**	**219,280**	547,623	–	1,220,234
Utilised for the year	**(71,025)**	**–**	**–**	–	–	–
Reversal of allowance	**–**	**–**	**–**	(8,153)	–	–
Reclassified to assets of disposal group classified as held for sale	**–**	**–**	**–**	(55,349)	–	(1,190,750)
Disposal of subsidiaries	**(1,833,069)**	**–**	**–**	–	–	–
Exchange differences	**(110)**	**–**	**–**	(46,562)	–	–
At 31 March	**388,055**	**241,513**	**366,831**	1,879,667	–	147,551

17. INVENTORIES

	Group	
	2020 $	2019 $
Balance sheet:		
Raw materials	**19,302**	220,660
Work-in-progress	**–**	42,822
Finished goods	**9,298**	–
	28,600	263,482
Income statement:		
Inventories recognised as an expense in cost of sales	**5,458,835**	12,462,996
Inclusive of the following charge/(credit)		
– Inventories write-down	**7,157**	9,268
– Reversal of inventories written down	**–**	(234,689)
– Currency translation differences	**–**	(98,684)
– Inventories written off	**3,568**	–

17. INVENTORIES (CONTINUED)

The Group's inventories that are written down at the end of the reporting period and the movement of the written down account used to record the written down is as follows:

	Group	
	2020	2019
	$	$
At 1 April	**2,718,868**	3,040,921
Written down during the year	**7,157**	9,268
Reversal of inventories written down[1]	**–**	(234,689)
Utilisation during the year	**(546)**	–
Disposal of subsidiaries	**(2,709,600)**	–
Foreign exchange differences	**–**	(96,632)
At 31 March	**15,879**	2,718,868

(1) Relates to inventories previously provided for as slow-moving stocks and have been sold during the year.

18. INVESTMENT SECURITIES

	Group and Company	
	2020	2019
	$	$
Current:		
At fair value through profit or loss		
– Equity securities (quoted)	**125,700**	930,184

Investments pledged as security

As at 31 March 2019, the quoted equity securities had been pledged as security for a convertible loan (Note 25). Under the terms and conditions of the loan, the Group is prohibited from disposing of this investment or subjecting it to further charges without furnishing a replacement security of similar value.

The convertible loan was fully discharged and terminated on 30 September 2019.

19. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Cash and bank balances	**1,954,708**	4,903,908	**14,734**	110,742
Short-term deposits	**927,170**	712,441	**–**	–
Cash and short-term deposits	**2,881,878**	5,616,349	**14,734**	110,742

Cash at banks earns interest at floating rates based on daily bank deposits. Short-term deposits mature on 6 months (2019: 6-7 months) from the end of the reporting period. The effective interest rates on the short-term deposits range from 0.25% to 3.0% (2019: 0.05% to 3.25%) per annum. The short-term deposits of the Group amounting to $921,263 (2019: $701,907) are pledged to banks for facilities granted to the Group.

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For the financial year ended 31 March 2020

19. CASH AND SHORT-TERM DEPOSITS (CONTINUED)

As at 31 March 2019, the Group had cash and cash equivalents (including pledged deposits) of $2,807,480 denominated in Chinese Renminbi ("RMB"). These balances are deposited with the banks in the PRC. RMB is not freely convertible into foreign currencies. Under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

Cash and short-term deposits that are not denominated in the respective functional currencies of the entity and its subsidiaries as at 31 March are as follows:

	Group	
	2020	**2019**
	$	**$**
United States dollar	**41,771**	32,551

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2020	**2019**
	$	**$**
Cash and short-term deposits:		
– Continuing operations	**2,881,878**	5,616,349
Discontinued operations (Note 20)	**–**	1,434,202
	2,881,878	7,050,551
Bank overdrafts (Note 22)	**(1,495,169)**	(1,487,443)
Short-term deposits pledged	**(921,263)**	(701,907)
Cash and cash equivalents in the consolidated cash flow statement	**465,446**	4,861,201

20. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

During the financial year ended 31 March 2020, the Group has recognised a gain on disposal of $10,843,520 ($2,480,021 and $8,363,499) for the disposal and partial disposal of its subsidiaries, Presscrete Engineering Pte Ltd and Tritech Environmental Group Co., Ltd. respectively and recognised a loss of $943,867 from discontinued operations, net of income tax, up to the date where control is lost.

Presscrete Engineering Pte Ltd

On 12 May 2019, a Sale and Purchase Agreement (the "Agreement") between Tritech Group Limited (the "Group"), TGL Engineering ("TGL Engineering") and Lim Wen Heng Construction (the "Purchaser") was entered in relation to the sale of shares in the capital of Presscrete Engineering Pte Ltd ("Presscrete"). Subject to the terms and conditions of the Agreement, the Purchaser shall purchase 6,000,000 ordinary shares representing 100% of the issued and paid-up share capital of PE for a consideration based on 3 components:

- Item A: Adjusted net tangible asset or liability value of Presscrete as at 31 December 2018;
- Item B: Intangible assets of Presscrete, mutually agreed at $50,000; and
- Item C: 50% of net profits or net losses, each after tax, to be generated from the agreed projects in the Agreement within the period of two years from 1 January 2019 to 31 December 2020 (the "Agreed Period").

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20. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

As at 31 March 2019, the assets and liabilities of Presscrete have been presented in the balance sheet as "Assets of disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale", and its results are presented separately on profit or loss as "Loss from discontinued operations, net of income tax". The disposal of Presscrete was completed on 21 May 2019.

Balance sheet disclosures

With the disposal of Presscrete being completed during the year, the assets and liabilities of Presscrete were no longer classified as held for sale as at 31 March 2020. The major classes of assets and liabilities of Presscrete classified as held for sale as of 31 March 2019 were as follows:

	$
Assets:	
Property, plant and equipment	5,076,992
Intangible assets	45,000
Inventories	300,629
Trade and other receivables	6,017,015
Contract assets	1,633,153
Prepayments	318,810
Cash and bank balances	1,434,202
Assets of disposal group classified as held for sale	14,825,801
Liabilities:	
Trade and other payables	8,801,459
Finance lease payables	793,981
Contract liabilities	631,425
Amount due to shareholder	1,507,658
Bank borrowings	2,245,990
Liabilities directly associated with disposal group classified as held for sale	13,980,513

Income statement disclosures

The results of Presscrete for the years ended 31 March are as follows:

	1.4.2019 to 21.5.2019 $	2019 $
Revenue	3,804,535	6,382,028
Cost of sales	(2,761,137)	(13,859,829)
Gross profit/(loss)	1,043,398	(7,477,801)
Other income	54,459	152,334
Administrative costs	(537,150)	(3,498,968)
Other costs	–	(7,627,536)
Finance costs	(65,602)	(355,841)
Profit/(loss) before taxation from discontinued operation	495,105	(18,807,812)
Income tax expense	–	(15,802)
Profit/(loss) from discontinued operation, net of income tax	495,105	(18,823,614)

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20. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

Presscrete Engineering Pte Ltd (Continued)

Cash flow statement disclosures

The cash flows attributable to Presscrete are as follows:

	1.4.2019 to 21.5.2019 $	2019 $
Operating	(650,979)	(6,707,070)
Investing	(72,000)	249,046
Financing	(154,086)	7,340,177
Net cash	(877,065)	882,153

Details of the disposal are as follows:

The carrying amount of assets and liabilities as at the date of disposal:

	$
Assets:	
Property, plant and equipment	5,055,306
Intangible assets	45,000
Inventories	370,622
Trade and other receivables	8,117,239
Contract assets	2,737,647
Prepayments	347,779
Cash and bank balances	557,137
Total assets	17,230,730
Liabilities:	
Trade and other payables	10,314,354
Finance lease payables	813,055
Contract liabilities	365,421
Bank borrowings	2,082,432
Total liabilities	13,575,262
Net assets disposed of	3,655,468
Cash consideration received	2,135,489
Less: Cash and cash equivalents in subsidiary disposed of	(557,137)
Net cash inflow on disposal of subsidiary	1,578,352
Gain on disposal:	
Cash consideration received	2,135,489
Contingent consideration received(1)(2)	4,000,000
Net assets derecognised (as above)	(3,655,468)
Gain on disposal	2,480,021

(1) The contingent consideration relates to the 50% profit share arrangement as per the Agreement. This amount is subject to the completion of the agreed projects within the Agreed Period. The directors have assessed and determined the contingent consideration is appropriate and reasonable

(2) $4,000,000 cash consideration were used and repaid directly by Presscrete Engineering to the Lender of convertible loan on 30 September 2019 (Note 25), according to the Agreement.

20. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

Tritech Environmental Group Co., Ltd.

On 26 July 2019, the Company announced the disposal of 60% of the issued share capital of Tritech Environmental Group Co., Ltd. ("TEG") and its shareholdings in its four direct wholly-owned China subsidiaries namely Tritech (Qingdao) Membrane Technologies Co. Ltd, Anhui Clean Environmental Biotechnology Co Ltd, Tritech Vavie Health Care Technologies Co Ltd and Beijing Wisetec Technologies Co Ltd ("Disposal") to Qingdao Ocean Group Finance Holdings Co Ltd and Rongtai Construction Group Co Ltd for a total consideration of CNY42,227,289.

The transfer was completed on 31 July 2019, TEG and its subsidiaries had ceased to be subsidiaries of the Company and is considered associate of the Company.

TEG was not previously presented as a discontinued operation nor classified as held for sale as at 31 March 2019. Thus, the comparative statement of profit or loss has been re-presented to show the discontinued operation separately from continuing operations.

The results of TEG for the year ended 31 March are as follows:

	1.4.2019 to 31.7.2019 $	2019 $
Revenue	2,360,275	11,658,245
Cost of sales	(2,050,047)	(7,631,667)
Gross profit	310,228	4,026,578
Other income	175,899	373,171
Distribution costs	(80,930)	(301,957)
Administrative costs	(1,298,335)	(4,834,005)
Other costs	(38,448)	(1,089,320)
Finance costs	(507,386)	(1,329,915)
Share of result of associate	–	(33)
Loss before taxation from discontinued operation	(1,438,972)	(3,155,481)
Income tax expense	–	51,870
Loss from discontinued operation, net of income tax	(1,438,972)	(3,103,611)
Other comprehensive income:		
Exchange differences on translating foreign operation	(109,699)	(207,711)
Total comprehensive income for the financial year	(1,548,671)	(3,311,322)

Cash flow statement disclosures

The cash flows attributable to TEG are as follows:

	1.4.2019 to 31.7.2019 $	2019 $
Operating	(65,464)	(406,625)
Investing	(21,857)	(183,681)
Financing	(2,008,000)	3,028,500
Net cash	(2,095,321)	2,438,194

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

20. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

Tritech Environmental Group Co., Ltd. (Continued)

Cash flow statement disclosures (Continued)

Details of the disposal are as follows:

The carrying amount of assets and liabilities as at the date of disposal:

	$
Assets:	
Property, plant and equipment	28,029,423
Intangible assets	1,394
Land use right	2,328,158
Investment in associate	624,567
Inventories	242,625
Trade and other receivables	13,946,993
Contract assets	428,617
Prepayments	760,722
Cash and bank balances	681,595
Total assets	47,044,094
Liabilities:	
Trade and other payables	26,554,511
Provision for taxation	279,402
Deferred tax	1,443,339
Bank borrowings	14,239,000
Total liabilities	42,516,252
Net assets disposed of	4,527,842
Reserves:	
Foreign currency translation reserve	109,699

	$
Cash consideration received	2,735,500
Less: Cash and cash equivalents in subsidiary disposed of	(681,595)
Net cash inflow on disposal of subsidiary	2,053,905
Gain on disposal:	
Cash consideration received	2,735,500
Cash consideration receivables(1)	303,361
Cash consideration re-injected into TEG as loans(2)	5,254,579
Capitalisation of residual investment in TEG	5,528,960
Net assets disposed of	(4,527,842)
Fair value loss on interest-free discounting for amount due from associate	(1,040,758)
Foreign currency translation reserve transferred from equity on disposal of subsidiary	109,699
Gain on disposal	8,363,499

(1) Outstanding payment from Rongtai Construction Group Co. Ltd of $303,361 has been fully settled in May 2020.

(2) Cash consideration of $5,254,579 from the disposal of TEG were re-injected into TEG as loans.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

20. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

Tritech Environmental Group Co., Ltd. (Continued)

Profit/(loss) per share disclosure

	2020 $	2019 $
Profit/(loss) per share from discontinued operation attributable to owners of the Company (cents per share)		
Basic	**1.06**	(2.41)
Diluted	**1.06**	(2.41)

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 **$**	**2019** **$**	**2020** **$**	**2019** **$**
Trade payables to third parties	**3,779,535**	7,205,008	**–**	–
Goods and Services Tax ("GST") payable	**493,539**	463,825	**–**	2,454
Accrued operating expenses	**2,296,701**	2,644,622	**1,238,859**	1,190,759
Accrued unutilised leave	**192,834**	256,353	**–**	–
Advances from customers	**–**	641,627	**–**	–
Deposits received	**27,000**	–	**27,000**	–
Other payables	**1,050,510**	16,176,176	**195,399**	116,847
Deferred grant income	**595,249**	–	**–**	–
Amounts due to subsidiaries	**–**	–	**9,583,471**	5,732,096
Amount due to associate	**1,092,697**	–	**867,868**	–
	9,528,065	27,387,611	**11,912,597**	7,042,156

Trade payables

Trade payables are non-interest bearing and are normally settled between 30 to 90 (2019: 30 to 90) days' terms.

Amounts due to subsidiaries

Amounts due to the subsidiaries mainly comprises rechargeable expenses which are unsecured, non-interest bearing and repayable on demand in cash and/or set off against balance except for an amount of $2,241,000 due to subsidiaries which bears an effective interest rate from 5.42% to 15.0% per annum on monthly rates or such other rate(s) as may be determined by the subsidiaries as at 31 March 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

21. TRADE AND OTHER PAYABLES (CONTINUED)

Amounts due to associate

Amounts due to the associate mainly comprises rechargeable expenses which is unsecured, non-interest bearing and repayable on demand in cash.

Trade and other payables denominated in foreign currencies other than the functional currency of the entity as at 31 March are as follows:

	Group	
	2020	**2019**
	$	**$**
United States dollar	**677,135**	41,273
New Zealand Dollar	**43,323**	46,103
Euro	**436,300**	–

22. BANK BORROWINGS

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
Current liabilities				
Secured				
Term loan I	**–**	3,634,200	**–**	–
Term loan II	**–**	2,826,600	**–**	–
Term loan III	**–**	2,927,550	**–**	–
Term loan IV	**–**	3,028,500	**–**	–
Term loan V	**–**	201,900	**–**	–
Term loan VI	**–**	201,900	**–**	–
Term loan VII	**–**	403,800	**–**	–
Term loan VIII	**–**	201,900	**–**	–
Term loan IX	**–**	201,900	**–**	–
Term loan X	**–**	403,800	**–**	–
Term loan XI	**–**	2,019,000	**–**	–
Term loan XII	**–**	605,700	**–**	–
Mortgage loan	**22,889**	21,507	**22,889**	21,506
Bank overdrafts	**1,495,169**	1,487,443	**1,495,169**	1,487,443
Fixed advanced facility loan ("FAFY")	**–**	875,000	**–**	–
	1,518,058	19,040,700	**1,518,058**	1,508,949

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

22. BANK BORROWINGS (CONTINUED)

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Unsecured				
Term loan XIII	–	350,000	–	–
Term loan XIV	–	500,000	–	–
Term loan XV	–	400,000	–	–
Term loan XVI	–	1,248,195	–	–
Term loan XVII	**444,444**	–	–	–
Term loan XVIII	**18,720**	–	–	–
	463,164	2,498,195	–	–
	1,981,222	21,538,895	**1,518,058**	1,508,949
Non-current liabilities				
Secured				
Mortgage loan	**268,447**	291,337	**268,447**	291,337
	268,447	291,337	**268,447**	291,337
Total bank borrowings	**2,249,669**	21,830,232	**1,786,505**	1,800,286

The average effective interest rates per annum of the bank borrowings are as follows:

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Term loan I	–	7.40	–	–
Term loan II	–	5.22	–	–
Term loan III	–	5.22	–	–
Term loan IV	–	5.22	–	–
Term loan V	–	16.80	–	–
Term loan VI	–	16.80	–	–
Term loan VII	–	16.80	–	–
Term loan VIII	–	16.80	–	–
Term loan IX	–	16.80	–	–
Term loan X	–	16.80	–	–
Term loan XI	–	24.00	–	–
Term loan XII	–	5.22	–	–
Term loan XIII	–	15.00	–	–
Term loan XIV	–	8.31	–	–
Term loan XV	–	8.31	–	–
Term loan XVI	–	15.00	–	–
Term loan XVII	**11.00**	–	–	–
Term loan XVIII	**8.31**	–	–	–
Mortgage loan	**6.25**	6.25	**6.25**	6.25
Bank overdrafts	**6.40**	6.40	**6.40**	6.40
FAFY	–	5.42	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

22. BANK BORROWINGS (CONTINUED)

Secured

Term loan I from a financial institution which is denominated in CNY is repayable over 12 months commencing from 13 June 2018. Term loan I is secured by a leasehold property (Note 10) of the Group in the PRC.

Term loan II from a financial institution which is denominated in CNY is repayable over 12 months commencing from 7 August 2018. Term loan II is secured by a leasehold property (Note 10) and land use rights (Note 14) of the Group in the PRC.

Term loan III from a financial institution which is denominated in CNY is repayable over 12 months commencing from 26 October 2018. Term loan III is secured by a leasehold property (Note 10) and land use rights (Note 14) of the Group in the PRC.

Term loan IV from a financial institution which is denominated in CNY is repayable over 12 months commencing from 4 December 2018. Term loan IV is secured by a leasehold property (Note 10) and land use rights (Note 14) of the Group in the PRC.

Term loan V from a financial institution which is denominated in CNY is repayable over 6 months commencing from 28 February 2019. Term loan V is secured by a leasehold property (Note 10) of the Group in the PRC.

Term loan VI from a financial institution which is denominated in CNY is repayable over 6 months commencing from 19 October 2018. Term loan VI is secured by a leasehold property (Note 10) of the Group in the PRC.

Term loan VII from a financial institution which is denominated in CNY is repayable over 6 months commencing from 31 October 2018. Term loan VII is secured by a leasehold property (Note 10) of the Group in the PRC.

Term loan VIII from a financial institution which is denominated in CNY is repayable over 6 months commencing from 7 November 2018. Term loan VIII is secured by a leasehold property (Note 10) of the Group in the PRC.

Term loan IX from a financial institution which is denominated in CNY is repayable over 6 months commencing from 20 November 2018. Term loan IX is secured by a leasehold property (Note 10) of the Group in the PRC.

Term loan X from a financial institution which is denominated in CNY is repayable over 6 months commencing from 26 December 2018. Term loan X is secured by a leasehold property (Note 10) of the Group in the PRC.

Term loan XI from a financial institution which is denominated in CNY is repayable over 3 months commencing from 29 March 2019. Term loan XI is secured by shares of a subsidiary (Note 12) in the PRC.

Term loan XII from a financial institution which is denominated in CNY is repayable over 12 months commencing from 28 November 2018. Term loan XII is secured by a leasehold property (Note 10) of the Group in the PRC.

Mortgage loan from a financial institution which is denominated in SGD is repayable over 210 months commencing from 11 May 2012 at the bank's commercial financing rate. Mortgage loan is secured by the legal mortgage over the Company's leasehold property (Notes 10 and 11).

Bank overdrafts are secured by the Company's leasehold property. Bank overdrafts are denominated in SGD.

FAFY loan from a financial institution which is denominated in SGD is repayable and rollover occurs every 1-month (2019: 1-month) commencing from 15 July 2016. FAFY loan is secured by short-term deposits charged to the financial institution and a corporate guarantee of the Company. FAFY loan was fully repaid in the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

22. BANK BORROWINGS (CONTINUED)

Unsecured

Term loan XIII from a financial institution which is denominated in SGD is repayable over 12 months commencing from 16 October 2018. Term loan XIII is secured by a corporate guarantee of the Company. Term loan XIII was fully repaid in the financial year.

Term loan XIV from a financial institution which is denominated in SGD is repayable over 12 months commencing from 14 March 2019. Term loan XIV is secured by a corporate guarantee of the Company. Term loan XIV was fully repaid in the financial year.

Term loan XV from a financial institution which is denominated in SGD is repayable over 12 months commencing from 27 March 2019. Term loan XV is secured by a corporate guarantee of the Company. Term loan XV was fully repaid in the financial year.

Term loan XVI from a financial institution which is denominated in SGD is repayable over 12 months commencing from 15 January 2019. Term loan XVI is secured by a corporate guarantee of the Company. Term loan XVI was fully repaid in the financial year.

Term loan XVII from a financial institution which is denominated in SGD is repayable over 12 months commencing from 1 September 2019. Term loan XVII is secured by a corporate guarantee of the Company.

Term loan XVIII from a financial institution which is denominated in SGD is repayable over 12 months commencing from 22 May 2019. Term loan XVIII is secured by a corporate guarantee of the Company.

As at the end of the reporting period, the banking facilities utilised by and granted to the Group and the Company are as follows:

	Group		Company	
	2020 $	**2019 $**	**2020 $**	**2019 $**
Facilities granted	**2,254,500**	21,842,789	**1,791,336**	1,812,843
Facilities utilised	**2,249,669**	21,830,232	**1,786,505**	1,800,286

A reconciliation of liabilities arising from financing activities is as follows:

	1.4.2019 $	**Cash flows $**	**Foreign exchange $**	**Reclassification $**	**Disposal of subsidiaries $**	**31.3.2020 $**
Bank borrowings						
• current	20,051,452	(5,064,098)(1)	(448,750)	22,890	(14,075,441)(1)	**486,053**
• non-current	291,337	–	–	(22,890)	–	**268,447**
Total	20,342,789	(5,064,098)	(448,750)	–	(14,075,441)	**754,500**

	1.4.2018 $	**Cash flows $**	**Foreign exchange $**	**Reclassification $**	**Reclassified as disposal group $**	**31.3.2019 $**
Bank borrowings						
• current	20,227,169	2,426,532	(434,664)	78,405	(2,245,990)	20,051,452
• non-current	369,742	–	–	(78,405)	–	291,337
Total	20,596,911	2,426,532	(434,664)	–	(2,245,990)	20,342,789

(1) Includes the repayment of bank loans by Presscrete Engineering amounting to $163,559 in FY2020, prior to the disposal.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

23. LOANS FROM SHAREHOLDERS

	Group		Company	
	2020 $	2019 $	2020 $	2019 $
Current				
Loans from shareholders	**2,320,000**	8,087,500	**2,320,000**	8,087,500
Amounts due to a shareholder	**1,525,431**	417,773	**1,407,658**	300,000
	3,845,431	8,505,273	**3,727,658**	8,387,500
Non-current				
Loans from shareholders	**4,550,600**	–	**4,550,600**	–
Amounts due to a shareholder	**1,000,000**	1,000,000	**1,000,000**	1,000,000
	5,550,600	1,000,000	**5,550,600**	1,000,000
	9,396,031	9,505,273	**9,278,258**	9,387,500

Loan from shareholders

As at 31 March 2020, the Group had loan from a shareholder of $2,550,600 (31 March 2019: $2,767,500) denominated in New Zealand Dollar. The loan from shareholders are unsecured, interest-bearing at an effective interest rate of 10% to 12% (2019: 8% to 12%) per annum and with a maturity period of 12-21 months (2019: 12 months).

Loans from a shareholder of $2,550,600 and $2,000,000 have been extended for 2 years with maturity date on 31 October 2021 and 11 December 2021 respectively. Both loans are interest-bearing as an effective interest rate of 10%.

Amounts due to a shareholder

The amounts due to a shareholder comprise advances from the shareholder for working capital purposes. The non-trade amounts are unsecured and non-interest bearing.

A reconciliation of liabilities arising from financing activities is as follows:

	1.4.2019 $	Cash flows $	Foreign exchange movement $	Assignment of debt $	31.3.2020 $
Loans from shareholders	8,087,500	(1,000,000)	(216,900)	–	**6,870,600**
Amounts due to a shareholder	1,417,773	(400,000)	–	1,507,658	**2,525,431**
Total	9,505,273	(1,400,000)	(216,900)	1,507,658	**9,396,031**

	1.4.2018 $	Cash flows $	Foreign exchange movement $	Reclassified as disposal group $	31.3.2019 $
Loans from shareholders	2,320,000	5,714,100	53,400	–	8,087,500
Amounts due to a shareholder	1,610,013	1,315,418	–	(1,507,658)	1,417,773
Total	3,930,013	7,029,518	53,400	(1,507,658)	9,505,273

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

24. LEASES

As a lessee

The Group has lease contracts for office building, machinery, instrumentation and tools, and motor vehicles. Leases of machinery and motor vehicles generally have lease terms between 36 to 84 months, while office building have lease term of 49 months. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets and the movements during the period:

	Group $
At 1 April 2019	2,285,022
Depreciation expense	(685,507)
At 31 March 2020	1,599,515

The following are the amounts recognised in profit or loss:

	Group
	2020 $
Depreciation of right-of-use assets	**685,507**
Interest expense on lease liabilities	**213,492**
Rental expenses – short term lease	**114,761**
– low value assets	**26,060**
Total amount recognised in profit or loss	**1,039,820**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

24. LEASES (CONTINUED)

As a lessee (Continued)

A reconciliation of changes in lease liabilities arising from financing activities is as follows:

	1.4.2019 $	Adoption of SFRS(I) 16 $	Reclassification $	Cash flows $	Disposal of subsidiaries $	31.3.2020 $
Lease liabilities						
• current	239,805	667,468	852,761	(1,054,681)[(1)]	148,927	**854,280**
• non-current	70,184	2,047,693	(852,761)	–	–	**1,265,116**
Total	309,989	2,715,161	–	(1,054,681)	148,927	**2,119,396**

	1.4.2018 $	Reclassification $	Cash flows $	Reclassified as disposal group $	31.3.2019 $
Finance lease payables					
• current	1,559,313	901,098	(1,566,526)	(654,080)	239,805
• non-current	955,498	(745,413)	–	(139,901)	70,184
Total	2,514,811	155,685	(1,566,526)	(793,981)	309,989

The Group's obligations under the finance leases are secured by the lessors' title to the leased assets (Note 10), short-term deposits of certain subsidiaries of the Group and corporate guarantees of the Company.

(1) Includes the repayment on leased assets by Presscrete Engineering amounting to $148,927 in FY2020, prior to the disposal.

25. CONVERTIBLE LOANS

Convertible loan I

On 21 September 2014, the Company entered into a convertible loan agreement with 13 independent individuals (collectively, the "Lenders"), pursuant to which:

(a) the Lenders have agreed to grant interest-bearing convertible loans of up to $10,000,000 in aggregate ("Minimum Loan") to the Company; and

(b) at the Company's request and subject to Lenders agreeing, additional interest bearing convertible loans of up to $10,000,000 in aggregate ("Additional Loan"),

each convertible into new ordinary shares in the share capital of the Company ("Loan Shares") at a conversion price of $0.21 ("Loan Conversion Price").

A Lender shall have the right to have his outstanding loan repaid (in full or in part) by the Company by conversion of any amount of such loan into Loan Shares, at any time prior to the third anniversary of the date of disbursement of such loan by such Lender ("Maturity Date"). To the extent that such loan is not repaid in Loan Shares by the Maturity Date, the Company shall repay the outstanding loan to such Lender in cash on the Maturity Date. Lenders shall not be entitled to request the Company to repay or prepay any convertible loan or any part thereof in cash before the relevant maturity date of convertible loan.

25. CONVERTIBLE LOANS (CONTINUED)

Convertible loan I (Continued)

The loans bear interest rate at 10% per annum on the balance outstanding and interest shall be paid by the Company to the Lenders, by way of conversion into ordinary shares ("Interest Shares"), or by cash. Interest conversion price for the interest shares shall be at the lower of:

(i) $0.21; or

(ii) 10% discount to the weighted average share price for trades done on the SGX-ST over the last seven Trading Days prior to such Interest Payment Event;

In the event that the Interest Conversion Price is less than $0.11, interest shall be payable in cash.

On 28 October 2014, the Company had drawn down on the Minimum Loan of $10,000,000, and the full amount thereof has been disbursed by the Lenders to the Company on that date.

On 31 March 2017, the Company had written to the Lenders to offer each of the Lenders an early settlement of the relevant loans held by them. The proposed settlement amount in relation to each Lender shall be the principal amount of the relevant loan plus the agreed interest amount and shall be settled by shares of Terratech Group Limited (now known as Capital World Limited) ("Terratech") held by the Company, including the Terratech shares to be sold under the compliance placement to be carried out in conjunction with the reverse takeover of Terratech ("Terratech Compliance Placement").

On 26 April 2017, the Company announced that certain Lenders had accepted the early settlement ("Early Settlement"), with the aggregate settlement sum amounting to $8,250,000, and the proposed disposal of 41,250,000 consolidated shares of Terratech in settlement and satisfaction of such settlement amount (the "Proposed Disposal"). As at the date of this announcement, the outstanding aggregate principal amount of $2,500,000, plus the interest of $125,000, totaling $2,625,000 has been fully settled on the maturity date, 28 October 2017.

Convertible loan II

On 27 October 2017, the Company had entered into convertible loan agreement ("CLA") with a private company (the "Lender''), pursuant to which the Lender has agreed to grant an interest-bearing convertible loan of $4,000,000 principal amount to the Company. The Company had drawn down $4,000,000 of the convertible loans at the same day of entering into the agreement. The convertible loan is convertible into 50,000,000 ordinary shares, at a conversion price of $0.08 per share subject to adjustments in accordance with the provisions of the convertible loan agreement.

On 30 September 2019, the Company had repaid the Convertible Loan II in full and had entered into a Deed of Release and Discharge in connection with the convertible loan with the Lender and accordingly, the Repayment constitutes good and valid discharge of the Company's obligations to the Lender under the CLA, upon which all rights accruing to the Lender in respect of such repayment shall be fully and finally extinguished. All rights and obligations of the Company and the Lender under the CLA, including the right of conversion of the Loan Shares into new ordinary shares in the share capital of the Company have been terminated and will cease to be of effect from 30 September 2019.

NOTES TO THE FINANCIAL STATEMENTS

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25. CONVERTIBLE LOANS (CONTINUED)

Convertible loan II (Continued)

The carrying amounts of the equity, derivative and liability components of the convertible loans at the end of the reporting date are arrived at as follows:

	Equity component $	Liability component $	Deferred tax liabilities $	Total $
Convertible loan I				
At 1 April 2018, 1 April 2019 and 31 March 2020	2,108,300	–	–	2,108,300
Convertible loan II				
At 1 April 2018	664,000	3,326,014	114,578	4,104,592
Add/(less):				
Interest expense	–	1,053,986	–	1,053,986
Interest payments	–	(480,000)	–	(480,000)
At 31 March 2019 and 1 April 2019	2,772,300	3,900,000	114,578	6,786,878
Add/(less):				
Interest expense	–	374,849	–	374,849
Interest payments	–	(240,000)	–	(240,000)
Settlement of loan	–	(4,034,849)	(114,578)	(4,149,427)
At 31 March 2020	2,772,300	–	–	2,772,300

	Group and Company	
	2020 $	**2019 $**
Liability component of convertible loans		
Current		
Liability component of convertible loans	–	3,900,000
	–	3,900,000

A reconciliation of liabilities arising from financing activities is as follows:

	1.4.2019 $	Cash flow $	Interest expense $	Settlement $	31.3.2020 $
Convertible loans					
• current	3,900,000	(240,000)	374,849	(4,034,849)	–

	1.4.2018 $	Cash flow $	Interest expense $	Reclassification $	31.3.2019 $
Convertible loans					
• current	–	–	–	3,900,000	3,900,000
• non-current	3,326,014	(480,000)	1,053,986	(3,900,000)	–
	3,326,014	(480,000)	1,053,986	–	3,900,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

26. DEFERRED TAX

Deferred income tax as at 31 March relates to the following:

	Consolidated balance sheet		Consolidated income statement	
	2020 $	2019 $	2020 $	2019 $ Represented
Gross deferred tax assets				
Other deductible temporary differences	**87,551**	–	**–**	–
	87,551	–		
Gross deferred tax liabilities				
Unremitted foreign interest income	**(95,576)**	(74,710)	**–**	–
Differences in depreciation for tax purposes	**(238,102)**	(1,760,021)	**87,790**	59,962
Liability component of convertible loans	**–**	(114,578)	**114,578**	–
	(333,678)	(1,949,309)		
	(246,127)	(1,949,309)		
Deferred tax credit (Note 8)			**202,368**	59,962

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority. The amounts determined after appropriate offsetting are included in the consolidated balance sheet as follows:

	Group	
	2020 $	2019 $
Net deferred tax liabilities	**(246,127)**	(1,949,309)

	Company Balance sheet	
	2020 $	2019 $
Deferred tax liabilities		
Differences in depreciation of plant and equipment for tax purposes	**(75,383)**	(164,051)
Liability component of convertible loans	**–**	(114,578)
Unremitted foreign interest income	**(95,576)**	(74,710)
	(170,959)	(353,339)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

27. SHARE CAPITAL

	Group and Company			
	2020 No. of shares	**2020 $**	**2019 No. of shares**	**2019 $**
Issued and fully paid ordinary shares				
At 1 April	**907,971,182**	**77,653,368**	907,971,182	77,653,368
Issuance of ordinary shares upon new shares placement	**34,482,756**	**1,000,000**	–	–
Issuance of shares to the Introducer	**2,413,793**	**70,000**	–	–
Share issue expenses	**–**	**(105,604)**	–	–
At 31 March	**944,867,731**	**78,617,764**	907,971,182	77,653,368

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

On 18 July 2019, the Company issued and allotted 34,482,756 placement shares ("Placement Shares") at an issue price of $0.029 per placement share amounting to an aggregate of $1,000,000 for cash to provide funds for the expansion of the Group's water and environment business. The newly issued shares ranks pari passu in all respects with the previously issued shares.

On 18 July 2019, the Company issued and allotted 2,413,793 shares to an independent third party, Introducer, at an issue price of $0.029 per share, amounting to an aggregate of $70,000, for his services in introducing the Placement Shares' Placees to the Company. The fair value of the share-based transaction of $70,000 is deducted against share capital as share issuance expense.

28. RESERVE

	Group		Company	
	2020 $	**2019 $**	**2020 $**	**2019 $**
Gains on disposal to non-controlling interests	**34,944,540**	34,944,540	**–**	–
Employee share award reserve	**871,581**	–	**871,581**	–
Foreign currency translation reserve	**82,999**	84,678	**–**	–
Equity component of convertible loans (Note 25)	**2,772,300**	2,772,300	**2,772,300**	2,772,300
Accumulated losses	**(100,970,962)**	(88,766,712)	**(53,058,702)**	(2,342,369)
	(62,299,542)	(50,965,194)	**(49,414,821)**	429,931

28. RESERVE (CONTINUED)

(a) Gains on disposal to non-controlling interests

The gains on the disposal and deemed disposal of shares in a subsidiary represent the excess of the deemed considerations received from the respective parties against the share of the subsidiary's net assets disposed of.

	Group	
	2020	**2019**
	$	**$**
At 1 April	**34,944,540**	34,951,514
Premium paid on acquisition of non-controlling interests (Note 12)	**–**	(6,974)
At 31 March	**34,944,540**	34,944,540

(b) Employee share award reserve

The Company implemented an employee share award scheme known as the Tritech Group Performance Share Plan ("Share Plan") for the purpose of providing incentives and rewards to eligible employees and directors of the Group. The Share Plan was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 28 July 2010.

On 28 March 2019, the Group has announced that 5 employees (collectively the "Eligible Employees" and each an "Eligible Employee") of the Group were granted an aggregate of 40,000,000 shares award (the "Award") under the Share Plan. In determining the fair value of the share awards as at grant date, the Group has considered the share price as at the grant date, the expected volatility, dividend yield of the Group, the risk-free interest rate, the length of the vesting period and adopted a risk-neutral assumption whereby the Group assumed the cost of holding the stock offset the expected return, in estimating the future share price. As for the non-market condition (i.e. the forfeiture rate) of the Award, the Group does not expect the forfeiture rate material, given that these 5 employees are long serving employee of the Group and would highly likely be in employment of the Group on the date the Award is vested.

Vesting period and conditions of the 40,000,000 share award:

(a) 20,000,000 of the share awards granted on 28 March 2019, to each individual Eligible Employee shall vest as at 31 March 2020, provided always that said Eligible Employee remains in the employment of the Group as at 31 March 2020.

(b) The remaining 20,000,000 of the share awards granted on 28 March 2019, to each individual Eligible Employee shall vest as at 31 March 2021, provided always that said Eligible Employee remains in the employment of the Group as at 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

28. RESERVE (CONTINUED)

(b) Employee share award reserve (Continued)

The following are the movement of the Awards at as 31 March 2020.

Name of participants	Number of shares granted	Fair value of each share as at Grant date	Number of share awards: Balance at 1.4.2019	Vested on 31.3.2020	Balance at 31.3.2020
Employees of the Group					
Dr. Tan Chien Hsiang	15,000,000	$0.029	15,000,000	(7,500,000)	7,500,000
Dr. Fu Chen	10,000,000	$0.029	10,000,000	(5,000,000)	5,000,000
Kuan Keng Mun	5,000,000	$0.029	5,000,000	(2,500,000)	2,500,000
Poh Ye Kong	5,000,000	$0.029	5,000,000	(2,500,000)	2,500,000
Gong Zhao	5,000,000	$0.029	5,000,000	(2,500,000)	2,500,000
			40,000,000	(20,000,000)	20,000,000

Employee share award reserve represents the equity-settled performance share awards as mentioned above. The reserve is made up of the cumulative value of services received from the employees recorded at the grant date of the performance share awards.

	Group and Company 2020 $	2019 $
Grant of equity-settled share awards to employees and balance at 31 March	871,581	–

(c) Foreign currency translation reserve

The foreign currency translation reserve account comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency of Singapore Dollar and is non-distributable. Movement in this account is set out in the consolidated statement of changes in equity.

29. COMMITMENTS

(a) Operating lease commitments – as lessee

The Group has entered into commercial leases for rental payable for premises and office equipment.

As at 31 March 2019, future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group 2019 $
Not later than one year	1,163,792
Later than one year but not later than five years	2,363,318
Later than five years	–
	3,527,110

The above operating lease commitments are based on existing rental rates and have an average remaining tenure of between 1 to 3 years. The operating lease agreements provide for periodic revision of such rates in the future. There were no renewal options or arrangements entered for contingent rent payments.

As disclosed in Note 2.2, the Group has adopted SFRS(I) 16 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 March 2020, except for short-term and low-value leases.

(b) Finance lease commitments – as lessee

As at 31 March 2019, the Group has finance leases for certain items of motor vehicles, machinery, instrumentation and tools. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group 2019	
	Minimum lease payments $	Present value of payments $
Within one year	249,992	239,805
Later than one year but not later than five years	72,951	70,184
Total minimum lease payments	322,943	309,989
Less: Amounts representing finance charges	(12,954)	–
Present value of minimum lease payments	309,989	309,989

Finance lease liabilities were reclassified to lease liabilities on 1 April 2019 arising from the adoption of SFRS(I) 16. The impact of adoption is disclosed in Note 2.2.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

29. COMMITMENTS (CONTINUED)

(c) Operating lease commitments – as lessor

The Group has entered into commercial leases on its operating lease premises. Future minimum rentals receivable for premises under non-cancellable operating leases at the end of the reporting period are as follows:

	Group and Company	
	2020	**2019**
	$	**$**
Not later than one year	**100,932**	–
Later than one year but not later than five years	**159,809**	–
	260,741	–

All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. There were no renewal options or arrangements entered for contingent rent payments.

30. RELATED PARTY TRANSACTIONS

(a) Sales and purchase of services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
With shareholders				
(Repayment of loan to)/Loans from shareholders	**(1,000,000)**	5,714,100	**(1,000,000)**	5,714,100
(Repayment to)/Advances from shareholder	**(400,000)**	1,315,418	**(400,000)**	1,300,000
With directors				
Consultancy fees charged by a director of the Company	**437,240**	162,240	**–**	–
Consultancy fees charged by a director of the subsidiary	**36,000**	36,000	**–**	–
With associate				
Interest income charged to an associate	**122,743**	–	**122,743**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

30. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Compensation of key management personnel

	Group		Company	
	2020 $	2019 $	2020 $	2019 $
Directors' fees	**190,000**	190,000	**190,000**	190,000
Short-term benefits	**1,588,839**	977,189	**852,726**	450,000
Contributions to the defined contribution plans	**86,386**	63,933	**32,056**	21,360
Employee share award scheme	**435,000**	–	**–**	–
Total compensation paid to key management personnel	**2,300,225**	1,231,122	**1,074,782**	661,360
Comprise amounts paid to:				
– Directors of the Company	**1,116,151**	672,170	**1,074,782**	661,360
– Directors of subsidiaries	**607,902**	156,313	**–**	–
– Other key management personnel	**576,172**	402,639	**–**	–
	2,300,225	1,231,122	**1,074,782**	661,360

The remuneration of key management personnel is determined by the directors having regard to the performance of individuals and market trends.

31. CONTINGENT LIABILITIES

Corporate guarantees

The Company has issued corporate guarantees for bank borrowings and finance lease payables of certain subsidiaries. These bank borrowings and finance lease payables amounted to $533,348 (2019: $3,683,184) at the balance sheet date. The fair value of such financial guarantees is not expected to be material as the bank borrowings and finance lease payables are collateralised against certain assets of the Company and the respective subsidiaries as disclosed in Notes 22 and 24. Accordingly, the financial guarantees have not been recognised.

Financial support

As at the end of the financial year, the Company had given undertakings to certain subsidiaries to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the date of authorised financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

32. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

(i) Engineering business, which comprises:

(a) Civil and Structural Engineering Services including soil investigations, treatment and stabilisation of soil; and

(b) Specialist Engineering Services comprise specialist geotechnical services, geotechnical instruments, design, consultancy and project management services and M2M products and services.

(ii) Water-related and environmental business, which comprises water treatment consultancy, manufacture of water treatment membranes and water quality monitoring;

(iii) Corporate business, which comprises Group-level corporate services and treasury functions.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

32. SEGMENT INFORMATION (CONTINUED)

2020	Engineering business $	Water-related and environmental business $	Corporate $	Other $	Adjustments $	Per consolidated financial statements $
Continuing						
Revenue:						
Sales to external customers	8,094,112	2,548,894	–	538	–	10,643,544
Inter-segment sales	1,183,704	241,951	872,903	76,800	(2,375,358)	–
Total revenue	9,277,816	2,790,845	872,903	77,338	(2,375,358)	10,643,544
Results:						
Segment results	(16,081,779)	(673,786)	(3,308,243)	(132,695)	–	(20,196,503)
Finance costs	(636,917)	–	(1,210,414)	–	–	(1,847,331)
Interest income	7,065	13	354,023	–	–	361,101
Share of results of associate	–	–	(290,053)	–	–	(290,053)
Loss before taxation	(16,711,631)	(673,773)	(4,454,687)	(132,695)	–	(21,972,786)
Income tax credit						252,800
Loss for the year						(21,719,986)
Discontinued operation						
Revenue:						
Sales to external customers	3,804,535	2,360,275	–	–	–	6,164,810
Inter-segment sales	–	8,722	–	–	(8,722)	–
Total revenue	3,804,535	2,368,997	–	–	(8,722)	6,164,810
Results:						
Segment results	3,040,728	7,431,817	–	–	–	10,472,545
Finance costs	(65,602)	(507,386)	–	–	–	(572,988)
Interest income	–	96	–	–	–	96
Profit before taxation	2,975,126	6,924,527	–	–	–	9,899,653
Income tax expense						–
Profit for the year						9,899,653

Note Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

* Inter-segment revenues are eliminated on consolidation

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2020

32. SEGMENT INFORMATION (CONTINUED)

2020	Engineering business $	Water-related and environmental business $	Corporate $	Other $	Adjustments $	Per consolidated financial statements $
Continuing						
Significant non-cash items:						
Depreciation and amortisation expenses	1,810,383	422,200	37,449	120,964	–	2,390,996
Fair value loss on investment securities	–	–	804,484	–	–	804,484
Provision for onerous contracts	219,280	–	–	–	–	219,280
Impairment loss on plant and machinery	–	69,643	–	–	–	69,643
Impairment loss on financial assets	351,461	81,816	220,828	–	–	654,105
Write down of inventories	–	7,157	–	–	–	7,157
Inventories written off	–	3,568	–	–	–	3,568
Equity-settled share awards expenses	108,750	762,831	–	–	–	871,581
Discontinued operation						
Significant non-cash items:						
Depreciation and amortisation expenses	261,685	367,267	–	–	–	628,952
Gain on disposal of subsidiaries	2,480,021	8,363,499	–	–	–	10,843,520
Capital expenditure:						
Plant and equipment	471,215	23,129	–	–	–	494,344
Assets	20,021,276	3,277,521	17,723,186	816,466	–	41,838,449
Liabilities	9,443,355	2,146,676	13,703,133	71,783	–	25,364,947

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

32. SEGMENT INFORMATION (CONTINUED)

2019	Engineering business $	Water-related and environmental business $	Corporate $	Other $	Adjustments $	Per consolidated financial statements $
Continuing						
Revenue:						
Sales to external customers	24,996,771	3,061,747	–	8,318	–	28,066,836
Inter-segment sales	861,831	8,887	1,080,000	78,762	(2,029,480)	–
Total revenue	25,858,602	3,070,634	1,080,000	87,080	(2,029,480)	28,066,836
Results:						
Segment results	(215,802)	(740,695)	(2,373,380)	(150,169)	–	(3,480,046)
Finance costs	(385,726)	(155)	(1,726,736)	–	–	(2,112,617)
Interest income	5,731	10	5,047	–	–	10,788
Loss before taxation	(595,797)	(740,840)	(4,095,069)	(150,169)	–	(5,581,875)
Income tax credit						181,899
Loss for the year						(5,399,976)
Discontinued operation						
Revenue:						
Sales to external customers	6,382,028	11,658,245	–	–	–	18,040,273
Inter-segment sales	–	897,174	–	–	(897,174)	–
Total revenue	6,382,028	12,555,419	–	–	(897,174)	18,040,273
Results:						
Segment results	(18,453,468)	(1,826,520)	–	–	–	(20,279,988)
Finance costs	(355,841)	(1,329,915)	–	–	–	(1,685,756)
Interest income	1,497	987	–	–	–	2,484
Share of results of associate	–	(33)	–	–	–	(33)
Loss before taxation	(18,807,812)	(3,155,481)	–	–	–	(21,963,293)
Income tax credit						36,068
Loss for the year						(21,927,225)

Note Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

* Inter-segment revenues are eliminated on consolidation

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

32. SEGMENT INFORMATION (CONTINUED)

2019	Engineering business $	Water-related and environmental business $	Corporate $	Other $	Adjustments $	Per consolidated financial statements $
Continuing						
Significant non-cash items:						
Depreciation and amortisation expenses	1,174,221	408,017	37,858	121,126	–	1,741,222
Fair value loss on investment securities	–	–	879,903	–	–	879,903
Provision for onerous contracts	29,484	–	–	–	–	29,484
Impairment loss on financial assets	8,613	16,596	–	–	–	25,209
Write down of inventories	–	9,268	–	–	–	9,268
Discontinued operation						
Significant non-cash items:						
Depreciation and amortisation expenses	1,566,532	1,208,352	–	–	–	2,774,884
Provision for onerous contracts	1,190,750	–	–	–	–	1,190,750
Impairment loss on plant and machinery	7,572,115	6,047	–	–	–	7,578,162
Impairment loss on financial assets	55,349	584,365	–	–	–	639,714
Reversal of inventories written down	–	(234,689)	–	–	–	(234,689)
Capital expenditure:						
Plant and equipment	1,555,661	578,457	746	–	–	2,134,864
Assets	29,056,715	51,694,053	26,164,256	953,313	–	107,868,337
Liabilities	22,785,791	41,179,533	16,921,701	91,636	–	80,978,661

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

32. SEGMENT INFORMATION (CONTINUED)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
Singapore	**14,448,079**	34,448,864	**9,260,657**	12,785,874
People's Republic of China	**2,360,275**	11,658,245	**15,724,848**	32,019,085
Discontinued operation	**(6,164,810)**	(18,040,273)	**–**	(5,121,992)
	10,643,544	28,066,836	**24,985,505**	39,682,967

Non-current assets consist of property, plant and equipment, investment property, right-of-use assets, land use rights, intangible assets as presented in the balance sheet of the Group.

Information about a major customer

Revenue from one (2019: one) major customer amounted to $8,902,284 (2019: $13,787,941) and arose from construction and geotechnical services rendered within the engineering business segment.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the years under review, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from the Group's short-term deposits, loan from shareholders, finance lease payables, convertible loan and bank borrowings.

The Group's policy is to manage interest cost by maintaining an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short-term borrowings.

<u>Sensitivity analysis for interest rate risk</u>

At the end of the reporting period, if interest rates had been 100 (2019: 100) basis points higher/lower with all other variables held constant, the Group's loss net of tax would have been $9,000 higher (2019: $20,000 higher), arising mainly as a result of higher/lower interest income on cash and short-term deposits and higher/lower interest expenses on floating rate loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Foreign currency risk

The Group operates in Asia with dominant operations in Singapore and PRC. Entities in the Group regularly transacts in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group and the Company mainly from transactions and balances denominated in United States dollar ("USD"), New Zealand dollar ("NZD"), Euro and Chinese Yuan ("CNY"). Exposure to foreign currency risk is monitored on an on-going basis to ensure that the net exposure is at an acceptable level.

As at the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in foreign currencies other than the respective entity's functional currency are disclosed in the respective notes to the financial statements. The Group and the Company have not entered into any currency forward exchange contracts during the financial year.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD, NZD, Euro and CNY against the functional currencies of the Group's entities with all other variables held constant, on the Group's loss before tax:

	Increase/(decrease)	
	2020 Loss before tax $	**2019 Loss before tax $**
Group		
USD against SGD		
– Strengthened 5% (2019: 5%)	**(5,616)**	11,652
– Weakened 5% (2019: 5%)	**5,616**	(11,652)
NZD against SGD		
– Strengthened 5% (2019: 5%)	**129,696**	140,681
– Weakened 5% (2019: 5%)	**(129,696)**	(140,681)
Euro against SGD		
– Strengthened 5%	**21,815**	–
– Weakened 5%	**(21,815)**	–
CNY against SGD		
– Strengthened 5%	**(383,290)**	–
– Weakened 5%	**383,290**	–

The potential impact of foreign exchange rate fluctuation on profit or loss of the Group as described in the sensitivity analysis above is attributable mainly to foreign exchange rate fluctuations on the Group's exposure on non-reporting currency receivables and payables as at the end of the reporting period.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (Continued)

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

(i) Debt securities at amortised cost, debt securities at fair value through other comprehensive income and loans at amortised cost

The Group uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information that builds on information from external credit rating companies, supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Group compute expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjusts for forward looking macroeconomic.

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for the debt instruments and loans is as follows:

Category	**Definition of category**	**Basis for recognition of expected credit loss provision**	**Basis for calculating interest revenue**
Grade I	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit losses	Gross carrying amount
Grade II	Loans for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime expected credit losses	Gross carrying amount
Grade III	Interest and/or principal repayments are 60 days past due.	Lifetime expected credit losses	Amortised cost of carrying amount (net of credit allowance)

There are no significant changes to estimation techniques or assumptions made during the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (Continued)

(ii) Financial assets at amortised cost

The loss allowance provision for financial assets at amortised cost reconciles to the opening loss allowance for that provision as follows:

	Group Financial assets at amortised cost 2020 $
As at 1 April 2019	**1,879,667**
Loss allowance measured at:	
Lifetime ECL	
– Trade amounts (Simplified approach)	**412,482**
Utilised	**(71,025)**
Disposal of subsidiaries	**(1,833,069)**
As at 31 March 2020	**388,055**

	2019 $
As at 1 April 2018	1,442,108
Loss allowance measured at:	
Lifetime ECL	
– Trade amounts (Simplified approach)	501,061
Reversal	(8,153)
Reclassify to disposal group	(55,349)
As at 31 March 2019	1,879,667

The gross carrying amount of financial assets at amortised cost is as follows:

Group		2020 $
12-month ECL	Financial assets at amortised cost	**15,165,460**
Lifetime ECL	Financial assets at amortised cost	**4,025,340**
Total		**19,190,800**

Group		2019 $
12-month ECL	Financial assets at amortised cost	8,916,412
Lifetime ECL	Financial assets at amortised cost	11,524,310
Total		20,440,722

The gross carrying amount of trade receivables and contract assets of the Group are disclosed in Note 16 and 4.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (Continued)

(iii) Trade receivables and contract assets

The Group provides for lifetime expected credit losses for all trade receivables, and contract assets using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The loss allowance provision as at 31 March 2020 is determined as follows, the expected credit losses below also incorporate forward looking information based on specific economic data.

Summarised below is the information about the credit risk exposure on the Group's trade-related balances using provision matrix, grouped by geographical region:

2020

Singapore:

	Contract assets $	Current $	31-60 days $	61-90 days $	>90 days $	Total $
Gross carrying amount	7,793,910	2,851,729	378,808	97,638	461,781	11,583,866
Loss allowance provision	366,831	–	–	–	328,517	695,348

Other geographical areas:

	Contract assets $	Current $	31-60 days $	61-90 days $	>90 days $	Total $
Gross carrying amount	–	2,487	–	–	232,897	235,384
Loss allowance provision	–	–	–	–	59,538	59,538

2019

Singapore:

	Contract assets $	Current $	31-60 days $	61-90 days $	>90 days $	Total $
Gross carrying amount	28,818,789	2,598,741	112,308	55,578	139,645	31,725,061
Loss allowance provision	147,551	–	–	–	46,598	194,149

Other geographical areas:

	Contract assets $	Current $	31-60 days $	61-90 days $	>90 days $	Total $
Gross carrying amount	3,560,890	5,412,747	132,612	963,482	2,109,197	12,178,928
Loss allowance provision	–	–	–	–	1,833,069	1,833,069

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (Continued)

(iii) Trade receivables and contract assets (Continued)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. The Group does not apply hedge accounting.

Exposure to credit risk

As at the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

– the carrying amount of each class of financial assets recognised in the balance sheets; and

– a nominal amount of $533,348 (2019: $3,683,184) relating to a corporate guarantee provided by the Group to the banks on subsidiaries' bank loans.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2020		2019	
	$	% of	$	% of
By country:				
Singapore	**3,461,439**	**95**	2,877,962	30
People's Republic of China	**–**	**–**	6,386,992	66
Malaysia	**174,871**	**5**	179,644	2
Others	**975**	**–**	200,045	2
	3,637,285	**100**	9,644,643	100
By industry sector:				
Engineering business	**3,040,372**	**84**	2,762,068	29
Water-related and environmental business	**596,913**	**16**	6,882,575	71
	3,637,285	**100**	9,644,643	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (Continued)

(iii) Trade receivables and contract assets (Continued)

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group and the Company. Cash and short-term deposits that are neither past due nor impaired are placed with reputable commercial banks and financial institutions which are regulated in Singapore and PRC and has no history of default.

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and by matching the payment and receipt cycle.

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of the overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and short-term deposits to meet their working capital requirements.

The following table details the Group's and Company's remaining contractual maturity for the financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to receive or pay.

	One year or less $	One to five years $	Over five years $	Total $
Group				
2020				
Financial assets				
Trade and other receivables[1]	5,301,533	11,418,000	–	16,719,533
Cash and short-term deposits	1,960,615	921,263	–	2,881,878
Total undiscounted financial assets	7,262,148	12,339,263	–	19,601,411
Financial liabilities				
Trade and other payables[2]	8,439,277	–	–	8,439,277
Bank borrowings	2,000,143	161,797	185,856	2,347,796
Lease liabilities	996,208	1,339,194	–	2,335,402
Loans from shareholders	4,107,431	6,304,445	–	10,411,876
Total undiscounted financial liabilities	15,543,059	7,805,436	185,856	23,534,351
Total net undiscounted financial (liabilities)/assets	(8,280,911)	4,533,827	(185,856)	(3,932,940)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (Continued)

	One year or less $	One to five years $	Over five years $	Total $
2019				
Financial assets				
Trade and other receivables[(1)]	12,944,706	–	–	12,944,706
Cash and short-term deposits	4,914,442	701,907	–	5,616,349
Total undiscounted financial assets	17,859,148	701,907	–	18,561,055
Financial liabilities				
Trade and other payables[(2)]	26,282,159	–	–	26,282,159
Convertible loans	4,000,000	–	–	4,000,000
Bank borrowings	22,347,725	232,577	168,620	22,748,922
Lease liabilities	249,992	72,951	–	322,943
Loans from shareholders	8,847,510	1,000,000	–	9,847,510
Total undiscounted financial liabilities	61,727,386	1,305,528	168,620	63,201,534
Total net undiscounted financial liabilities	(43,868,238)	(603,621)	(168,620)	(44,640,479)

	One year or less $	One to five years $	Over five years $	Total $
Company				
2020				
Financial assets				
Trade and other receivables[(1)]	14,545,097	11,418,000	–	25,963,097
Cash and short-term deposits	14,734	–	–	14,734
Total undiscounted financial assets	14,559,831	11,418,000	–	25,977,831
Financial liabilities				
Trade and other payables[(2)]	11,912,595	–	–	11,912,595
Bank borrowings	1,500,078	161,797	185,856	1,847,731
Loans from shareholders	3,989,658	6,304,445	–	10,294,103
Total undiscounted financial liabilities	17,402,331	6,466,242	185,856	24,054,429
Total net undiscounted financial (liabilities)/assets	(2,842,500)	4,951,758	(185,856)	1,923,402

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (Continued)

	One year or less $	One to five years $	Over five years $	Total $
Company				
2019				
Financial assets				
Trade and other receivables[1]	27,652,200	–	–	27,652,200
Cash and short-term deposits	110,742	–	–	110,742
Total undiscounted financial assets	27,762,942	–	–	27,762,942
Financial liabilities				
Trade and other payables[2]	7,039,702	–	–	7,039,702
Convertible loans	4,000,000	–	–	4,000,000
Bank borrowings	1,522,328	232,577	168,620	1,923,525
Loans from shareholders	8,847,510	1,000,000	–	9,847,510
Total undiscounted financial liabilities	21,409,540	1,232,577	168,620	22,810,737
Total net undiscounted financial assets/(liabilities)	6,353,402	(1,232,577)	(168,620)	4,952,205

(1) Exclude GST refundable and grant receivable
(2) Exclude GST payable, advance from customers and deferred grant income

The table below shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantees could be called.

	One year or less $	One to five years $	Total $
Company			
2020			
Financial guarantees provided to subsidiaries	533,348	–	533,348
2019			
Financial guarantees provided to subsidiaries	3,683,184	–	3,683,184

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

34. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair value

	Note	Fair value measurements using Quoted prices in active markets for identical instruments (Level 1) $	Significant observable inputs other than quoted prices (Level 2) $	Significant unobservable inputs (Level 3) $	Total $
Group					
2020					
Assets					
Financial assets:					
Investment securities	18	125,700	–	–	125,700
2019					
Assets					
Financial assets:					
Investment securities	18	930,184	–	–	930,184

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 March 2020

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(c) Assets and liabilities not measured at fair value, for which fair value is disclosed

The following table shows an analysis of the Group's assets and liabilities not measured at fair value, for which fair value is disclosed:

		Fair value measurements using			
	Note	Quoted prices in active markets for identical instruments (Level 1) $	Significant observable inputs other than quoted prices (Level 2) $	Significant unobservable inputs (Level 3) $	Total $
Group					
2020					
Assets					
Non-financial assets:					
Investment property	11	–	1,680,000	–	1,680,000

Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Investment property

The valuation of the investment property is based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.

(d) Level 3 fair value measurements

Valuation policies and procedures

The Group's Financial Controller ("FC") oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation model and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. The FC is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 fair value measurement guidance.

For valuations performed by external valuation experts, the FC reviews the appropriateness of the valuation methodologies and assumptions adopted. The FC also evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant unobservable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available.

Significant changes in fair value measurements from period to period are evaluated by the FC for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

35. FINANCIAL INSTRUMENTS BY CATEGORY

Set out below is the carrying amount of each of the categories of the Group's and the Company's financial instruments that are carried in the financial statements:

Group 2020	Loans and receivables $	Liabilities at amortised cost $	Financial assets/ liabilities at fair value through profit or loss $	Total $
Assets				
Trade and other receivables[1]	15,679,354	–	–	15,679,354
Cash and short-term deposits	2,881,878	–	–	2,881,878
Investment securities	–	–	125,700	125,700
	18,561,232	–	125,700	18,686,932
Liabilities				
Trade and other payables[2]	–	8,439,277	–	8,439,277
Bank borrowings	–	2,249,669	–	2,249,669
Lease liabilities	–	2,119,396	–	2,119,396
Loans from shareholders	–	9,396,031	–	9,396,031
	–	22,204,373	–	22,204,373
2019				
Assets				
Trade and other receivables[1]	12,944,706	–	–	12,944,706
Cash and short-term deposits	5,616,349	–	–	5,616,349
Investment securities	–	–	930,184	930,184
	18,561,055	–	930,184	19,491,239
Liabilities				
Trade and other payables[2]	–	26,282,159	–	26,282,159
Liability component of convertible loans	–	3,900,000	–	3,900,000
Bank borrowings	–	21,830,232	–	21,830,232
Lease liabilities	–	309,989	–	309,989
Loans from shareholders	–	9,505,273	–	9,505,273
	–	61,827,653	–	61,827,653

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

35. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Company 2020	Loans and receivables $	Liabilities at amortised cost $	Financial assets/ liabilities at fair value through profit or loss $	Total $
Assets				
Trade and other receivables[1]	24,922,918	–	–	24,922,918
Cash and short-term deposits	14,734	–	–	14,734
Investment securities	–	–	125,700	125,700
	24,937,652	–	125,700	25,063,352
Liabilities				
Trade and other payables[2]	–	11,912,595	–	11,912,595
Bank borrowings	–	1,786,505	–	1,786,505
Loans from shareholders	–	9,278,258	–	9,278,258
	–	22,977,358	–	22,977,358
2019				
Assets				
Trade and other receivables[1]	27,652,200	–	–	27,652,200
Cash and short-term deposits	110,742	–	–	110,742
Investment securities	–	–	930,184	930,184
	27,762,942	–	930,184	28,693,126
Liabilities				
Trade and other payables[2]	–	7,039,702	–	7,039,702
Liability component of convertible loans	–	3,900,000	–	3,900,000
Bank borrowings	–	1,800,286	–	1,800,286
Loans from shareholders	–	9,387,500	–	9,387,500
	–	22,127,488	–	22,127,488

(1) Exclude GST refundable and grant receivable
(2) Exclude GST payable, advance from customers and deferred grant income

36. CAPITAL MANAGEMENT

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that the Group and the Company are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholders' value.

Management constantly reviews the capital structure to ensure the Group and the Company are able to service any debt obligations (include principal repayment and interests) based on their operating cash flows. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2020 and 2019.

The Group monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as bank borrowings, lease liabilities, convertible loans and trade and other payables, less cash and short-term deposits. Total capital is calculated as total equity plus net debt.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

36. CAPITAL MANAGEMENT (CONTINUED)

The Group monitors its capital structure as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
Trade and other payables	**9,528,065**	27,387,611	**11,912,595**	7,042,156
Bank borrowings	**2,249,669**	21,830,232	**1,786,505**	1,800,286
Lease liabilities	**2,119,396**	309,989	**–**	–
Liability components of convertible loans	**–**	3,900,000	**–**	3,900,000
Less: Cash and short-term deposits	**(2,881,878)**	(5,616,349)	**(14,734)**	(110,742)
Net debt	**11,015,252**	47,811,483	**13,684,366**	12,631,700
Total equity	**16,753,128**	26,889,676	**43,603,344**	78,083,299
Total capital	**27,768,380**	74,701,159	**57,287,710**	90,714,999
Gearing ratio	**39.7%**	64.0%	**23.9%**	13.9%

In order to maintain their status with local regulatory authorities in the construction industry, certain subsidiaries of the Group are required to maintain a minimum paid up capital and minimum net worth respectively.

Certain banking facilities granted to certain subsidiaries and the Company require the Group and/or these entities to adhere to certain capital requirements. They are required to maintain certain net worth or gearing ratios in excess of specific financial thresholds.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2020 and 2019.

37. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) In relation to the grant of 40,000,000 share awards to 5 employees of the Group on 28 March 2019, as at year-end, 20,000,000 share awards have vested and the shares for the vested awards were subsequently issued on 16 June 2020 amounting to $580,000.

(b) Subsequent to year-end, the Group secured a $4,000,000 new loan facility and had drawn down $4,000,000 in April 2020.

38. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the directors on 4 September 2020.

STATISTICS OF SHAREHOLDINGS

As at 13 August 2020

SHARE CAPITAL

Issued and Fully Paid-up Ordinary Share Capital	:	79,192,052.07
Class of Ordinary Shares	:	Ordinary Shares
Number of Ordinary Shares	:	964,867,731
Number of Treasury Shares	:	Nil
Number of Subsidiary Shares	:	Nil
Voting Rights	:	1 vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	249	14.68	4,300	0.00
100 – 1,000	24	1.42	9,268	0.00
1,001 – 10,000	201	11.85	1,003,636	0.11
10,001 – 1,000,000	1,119	65.98	184,407,138	19.11
1,000,001 AND ABOVE	103	6.07	779,443,389	80.78
TOTAL	**1,696**	**100.00**	**964,867,731**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	WANG XIAONING	120,673,628	12.51
2	LEE SUI HEE	71,310,612	7.39
3	ADONIS INVESTMENT HOLDINGS PTE LTD	69,317,985	7.18
4	CAI JUNGANG	62,301,805	6.46
5	DBS NOMINEES (PRIVATE) LIMITED	50,385,176	5.22
6	LOH CHANG KAAN	33,204,114	3.44
7	PHILLIP SECURITIES PTE LTD	21,487,148	2.23
8	RHB SECURITIES SINGAPORE PTE. LTD.	20,535,500	2.13
9	OCBC SECURITIES PRIVATE LIMITED	16,646,772	1.73
10	LIM BOK HOO	14,000,500	1.45
11	MAYBANK KIM ENG SECURITIES PTE. LTD.	11,048,216	1.15
12	ONG GIM LOO	10,500,000	1.09
13	LIM CHYE HAI (LIN CAIHAI)	10,000,000	1.04
14	UOB KAY HIAN PRIVATE LIMITED	8,067,016	0.84
15	LIM YONG LUY	8,000,000	0.83
16	TAN CHIEN HSIANG (CHEN JIANXIANG)	7,650,000	0.79
17	LIM KOK HWA	7,400,000	0.77
18	XU YONGSHENG	7,121,000	0.74
19	LIM CHIN HOCK	7,000,000	0.73
20	GOH LAI PENG	6,925,000	0.72
	TOTAL	**563,574,472**	**58.44**

STATISTICS OF SHAREHOLDINGS

As at 13 August 2020

SUBSTANTIAL SHAREHOLDERS

NO.	NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST	%	DEEMED INTEREST	%
1	WANG XIAONING	120,673,628	12.51	–	–
2	LEE SUI HEE	71,310,612	7.39		
3	ADONIS INVESTMENT HOLDINGS PTE LTD	69,317,985	7.18	–	–
4	CAI JUNGANG	62,301,805	6.46	100,000	0.01

(1) Pursuant to Section 7 of the Singapore Companies Act, Dr Cai Jungang is deemed to have an interest in the performance share awards and shares of the Company held by his spouse, Ms Bi Xiling.

Based on the information available to the Company as at 13 August 2020, approximately 62.70 % of the ordinary issued shares of the Company are held by the public. Accordingly, Rule 723 of the Listing Manual (Section B: Rule of Catalist) of the Singapore Exchange Securities Trading Limited has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 11th Annual General Meeting ("**AGM**") of the Company will be held by way of electronic means on Monday, 28 September 2020 at 10.30 am for the purposes of considering and, if thought fit, passing with or without modifications the following resolutions:

Ordinary Business

AS ORDINARY RESOLUTIONS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2020 together with the Auditors' Report thereon. **Resolution 1**

2. To approve the payment of Directors' fees of $190,000 for the financial year ended 31 March 2020 (FY2019: $190,000). **Resolution 2**

3. To re-elect Dr Wang Xiaoning retiring pursuant to Article 99 of the Constitution of the Company. ***(See Explanatory Notes)*** **Resolution 3**

4. To re-elect Mr Aw Eng Hai retiring pursuant to Article 99 of the Constitution of the Company. ***(See Explanatory Notes)*** **Resolution 4**

5. To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

Special Business

AS ORDINARY RESOLUTIONS

6. **General Authority to Allot and Issue Shares** **Resolution 6**

   That, pursuant to Section 161 of the Companies Act, Chapter 50 ("**Companies Act**") and Rule 806(2) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), authority be and is hereby given to the Directors to:

   (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or;

   (ii) make or grant offers, agreements or options (collectively "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instruments convertible into shares;

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors shall in their absolute discretion deem fit, and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided always that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), provided that the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company ("**Shareholders**") (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company;

(2) (subject to such manner of calculation as may be prescribed by the Catalist Rules), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of total issued Shares shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities outstanding at the time this authority is given;

(b) (where applicable) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

any adjustments made in accordance with sub-paragraphs (2)(a) or (2)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the Resolution approving the mandate.

(3) in exercising the authority conferred by this Resolution, the Directors shall comply with the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier. (***See Explanatory Notes***)

7. To transact any other business that may be transacted at the AGM.

By Order of the Board

Lee Pih Peng
Company Secretary

5 September 2020

NOTICE OF ANNUAL GENERAL MEETING

Important notice on AGM arrangements in light of COVID-19

The Notice of AGM has been published on SGXNET and the Company's website at www.tritech.com.sg. A printed copy of this Notice, the proxy form and other documents related to the AGM will **NOT** be despatched to shareholders.

This notice sets out the Company's arrangements relating to, among others, attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and/or voting by appointing the Chairman of the AGM as proxy for the AGM.

Notes:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

2. Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the AGM in person. Shareholders will be able to watch the proceedings of the AGM through a "live" webcast ("**LIVE WEBCAST**") via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed ("**AUDIO ONLY MEANS**") via telephone. In order to do so, Shareholders who wish to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS must pre-register by 5.00 pm on 25 September 2020 at https://sg.conveneagm.com/tritechgroupagm.

   Shareholders will receive an email verification authenticating their status as Shareholders shortly upon pre-registration, along with accompanying instructions on assessing the AGM via LIVE WEBCAST and AUDIO ONLY MEANS. Shareholders should use the log-on credentials received to access the LIVE WEBCAST and AUDIO ONLY MEANS of the AGM. Shareholders who do not receive an email 24 hours after pre-registration may contact technical support via email at support@conveneagm.com or through the toll free number at 8008523335.

   Persons holding shares through relevant intermediaries, who wish to participate in the AGM via LIVE WEBCAST or through the AUDIO ONLY MEANS, should contact their relevant intermediaries through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

3. Shareholders who pre-register to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS may also submit questions relating to the resolutions to be tabled for approval at the AGM. Please note that Shareholders will not be able to ask questions at the AGM "live" during the webcast and the audio feed.

   All questions must be submitted by 10.30 am on 18 September 2020 ("**Questions Cut-Off Date**") via the pre-registration website at https://sg.conveneagm.com/tritechgroupagm.

   The Company will address substantial questions relevant to the resolutions to be tabled for approval at the AGM as received from Shareholders before the Questions Cut-Off Date, by publishing the answers on SGXNET, on or prior to 23 September 2020. The Company will, within one month after the date of the AGM, publish the minutes of the AGM, together with responses to subsequent clarifications sought or follow-up questions raised by Shareholders in respect of substantial and relevant matters on SGXNET and the Company's website at www.tritech.com.sg.

4. Shareholders (whether individuals or corporates) who wish to exercise their voting rights at the AGM must appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the AGM. In appointing the Chairman of the AGM as proxy, Shareholders (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

5. The Chairman of the AGM, as proxy, need not be a member of the Company.

6. The proxy form appointing the Chairman of the AGM must be downloaded, printed, completed and signed by Shareholders and sent to the Company in the following manner:

   (a) if sent personally or by post, be received by the Company's Share Registrar, Boardroom Corporate & Advisory Service Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

   (b) if submitted by email, be sent as a clearly readable image via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.teamd@boardroomlimited.com,

   in either case no later than 10.30 am on 26 September 2020 and in default the proxy form shall not be treated as valid.

NOTICE OF ANNUAL GENERAL MEETING

7. The proxy form appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the proxy form appointing the Chairman of the AGM as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.

8. Where the proxy form appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the proxy form, failing which the proxy form may be treated as invalid.

9. The Company shall be entitled to reject the proxy form appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form appointing the Chairman of the AGM as proxy.

10. In the case of shares entered in the Depository Register, the Company may reject the proxy form if the shareholder, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Important Reminders:

Due to the constantly evolving COVID-19 situation, the Company may be required to change its AGM arrangements at short notice. Shareholders are advised to regularly check the Company's website or announcements released on SGXNET for updates on the AGM. Further, in view of the current COVID-19 measures which may make it difficult for Shareholders to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

Personal Data Privacy:

By (a) submitting a proxy form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, (b) completing the pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a Shareholder of the Company consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as proxy for the AGM (including any adjournment thereof);

(ii) processing of the pre-registration for purposes of granting access to Shareholders to the LIVE WEBCAST or AUDIO ONLY MEANS of the AGM proceedings and providing them with any technical assistance where necessary;

(iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;

(iv) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

In addition, the personal data of a Shareholder (such as name, presence at the AGM and any questions raised or motions proposed/seconded) may be recorded by the Company during sounds and/or video recordings of the AGM which may be made by the Company for record keeping and to ensure the accuracy of the minutes of the AGM and a Shareholder of the Company consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for such purpose.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes on Ordinary Business to be transacted:

Resolution 3

Dr Wang Xiaoning will, upon re-appointment as a Director of the Company, remain as the Managing Director of the Company and a member of the Nominating Committee.

Resolution 4

Mr Aw Eng Hai will, upon re-appointment as a Director of the Company, remain as the Independent Director of the Company, Chairman of the Audit Committee, a member of the Nominating Committee and Remuneration Committee. The Board considers Mr Aw Eng Hai to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Explanatory Note on Special Business to be transacted:

Resolution 6

The Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors of the Company, from the date of the forthcoming AGM of the Company until the next AGM of the Company, to allot and issue Shares and convertible securities in the Company, without seeking any further approval from Shareholders in a general meeting but within the limitation imposed by Ordinary Resolution 6, for such purposes as the Directors may consider would be in the best interests of the Company. The number of Shares and convertible securities that the Directors may allot and issue under Ordinary Resolution 6 would not exceed one hundred per cent. (100%) of the total number of issued Shares in the capital of the Company (excluding treasury shares) at the time of the passing of Ordinary Resolution 6. For issue of Shares and convertible securities other than on a *pro rata* basis to all Shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed fifty per cent. (50%) of the total number of issued Shares in the capital of the Company (excluding treasury shares) at the time of the passing of Ordinary Resolution 6.

The one hundred per cent. (100%) limit and the fifty per cent. (50%) limit will be calculated based on the Company's issued share capital at the time of the passing of Ordinary Resolution 6, after adjusting for:

(i) new Shares arising from the conversion or exercise of convertible securities;

(ii) new Shares arising from the exercise of share options or vesting of share awards; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares.

TRITECH GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200809330R)

PROXY FORM
ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

This proxy form has been made available on SGXNET and the Company's website and may be accessed at the URL www.tritech.com.sg. A printed copy of this proxy form will **NOT** be despatched to shareholders.

IMPORTANT

1. Due to the current COVID-19 restriction orders in Singapore, shareholders of the Company ("Shareholders") will not be able to attend the AGM in person. Shareholders will be able to watch the proceedings of the AGM through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, Shareholders must pre-register by 5.00 pm on 25 September 2020, at https://sg.conveneagm.com/tritechgroupagm.

   Shareholders will receive an email verification authenticating their status as Shareholders immediately upon pre-registration, along with the accompanying instructions on accessing the webcast and audio feed of the proceedings. Shareholders who do not receive an email 24 hours after pre-registration may contact technical support via email at support@conveneagm.com or through the toll free number at 8008523335.
2. By submitting a proxy form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a Shareholder (and his appointed proxy(ies)) consents to the collection, use and disclosure of their personal data by the Company (or its agents or service providers) for such purposes and/or otherwise with the personal data privacy terms set out in the Notice of AGM dated 5 September 2020.

I/We, ________________________________ (name) of ______________ (NRIC/Passport No./Company Registration No.)

of ____ (address)

being a *Shareholder/Shareholders of **TRITECH GROUP LIMITED** (the "**Company**"), hereby appoint the Chairman of the annual general meeting of the Company ("**AGM**"), as my/our* proxy to vote for me/us* on my/our* behalf at the AGM to be held by way of electronic means on 28 September 2020 at 10.30 am and at any adjournment thereof. I/We* direct the Chairman of the AGM to vote for or against, or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the appointment of the Chairman of the AGM as my/our* proxy will be treated as invalid.

The resolutions put to the vote at the AGM shall be decided by way of poll.

No.	Ordinary Resolutions relating to	For	Against	Abstain
Resolution 1	Directors' Statement, Audited Financial Statements and Auditors' Report for the financial year ended 31 March 2020			
Resolution 2	Directors' fees of $190,000 for the financial year ended 31 March 2020 (FY2019: $190,000)			
Resolution 3	Re-election of Dr Wang Xiaoning as Director of the Company			
Resolution 4	Re-election of Mr Aw Eng Hai as Director of the Company			
Resolution 5	Re-appointment of Ernst & Young LLP as Auditors of the Company			
Resolution 6	General Authority to Allot and Issue Shares			

Notes:
If you wish to exercise all your votes "For", "Against" or "Abstain", please tick within the box provided. Alternatively, please indicate the number of shares the Chairman of the AGM, as your proxy, is directed to vote "For", "Against" or "Abstain".

**Delete where inapplicable*

Dated this __________ day of __________________ 2020

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Members	

____
Signature(s) of Shareholder(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this proxy form will be deemed to relate to the entire number of ordinary Shares in the Company registered in your name(s).

2. A Shareholder will not be able to attend the AGM in person. If a Shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a Shareholder (whether individual or corporate) must give specific instructions as to voting), or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

3. The proxy form appointing the Chairman of the AGM as proxy must be downloaded, printed, completed and signed by Shareholders and sent to the Company in the following manner:

   (a) if sent by post, be posted to and received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

   (b) if sent by email, be sent as a clearly readable image via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.teamd@boardroomlimited.com

   in either case, by no later than 10.30 am on 26 September 2020, and in default the proxy form shall not be treated as valid.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Shareholders to submit completed proxy forms by post, Shareholders are strongly encouraged to submit completed proxy forms electronically via email.

4. The proxy form appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the proxy form appointing the Chairman of the AGM as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.

5. Where the proxy form appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the proxy form, failing which the proxy may be treated as invalid.

6. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50.

7. The Company shall be entitled to reject the proxy form appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form appointing the Chairman of the AGM as proxy.

8. In the case of shares entered in the Depository Register, the Company may reject the proxy form if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

TriTech

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